

WARRANTY DEED

SM COMPANY, a Wyoming corporation, of Sheridan County, Wyoming, Grantor, for and in consideration of One and more Dollars (\$1.00) in hand paid, receipt whereof is hereby acknowledged, conveys and warrants to ALLEN NIXON and BRENDA NIXON, husband and wife, as tenants by the entirety with right of survivorship, Grantees, whose address is Box 426, Ranchester, Wyoming 82839, the following described real estate situate in Sheridan County and State of Wyoming, hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of the State, to-wit:

Lot 23, Parkman Hills 2nd Subdivision,  
Sheridan County, Wyoming.

SUBJECT to all prior reservations, restrictions, covenants and easements of record, and specifically subject to the Declaration of Covenants dated March 29, 1978 in Book 230 at page 470 in the office of the County Clerk and Recorder of Sheridan County, Wyoming and the Amendment to Declaration of Protective Covenants dated March 29, 1979, filed in Book 239 at page 45 in the office of the County Clerk and Recorder of Sheridan County, Wyoming.

EXCEPTING AND RESERVING unto Grantors one-half of all oil, gas, coal and other minerals in or underlying said lands, together with the right to enter upon said lands for the purpose of exploring for, drilling, mining or removing such minerals, and together with so much of the surface as may be necessary and incidental thereto, but the owner of the surface shall be reasonably compensated for any damage thereto.

WITNESS my hand this 29th day of August, 1986.

SM COMPANY, a Wyoming  
Corporation

By: [Signature]  
President

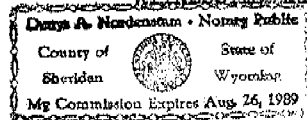


[Signature]  
Secretary

STATE OF WYOMING     )  
                                      ) ss  
County of Sheridan    )

The foregoing instrument was acknowledged before me  
this 29th day of August, 1986 by Jerry Meyer as President of  
SM Company, a Wyoming Corporation.

WITNESS my hand and official seal.



Darryl A. Naudenstam  
Notary Public

My commission expires: Aug. 26, 1989