

TRANSFER, ASSIGNMENT, OR SUBLEASE
OF OPERATING RIGHTS IN OIL AND GAS LEASE

Lease Serial No.
N-11346

Lease effective date
May 1, 1975

PART I

1. Assignee's Name

Mustang Production Company

Address (include zip code)

1100 First National Center West
Oklahoma City, Oklahoma, 73102

The undersigned, as owner of 75.0% percent of operating rights in the above-designated oil and gas lease, hereby transfers, assigns, and/or subleases to the assignee shown above, the operating rights in such lease as specified below.

2. Describe the lands affected by this transfer, assignment, and/or sublease (43 CFR 3101.2-3 or 3101.1-4)

Township 27 North, Range 51 East, M.D.M., Eureka County, Nevada

Section 15: All

Containing 640.0 acres.

Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

3. Specify interest or percent of operating rights being conveyed to assignee	18.75%
4. Specify interest or percent of operating rights being retained by assignor	56.25%
5. Specify overriding royalty interest being reserved by assignor	-0-
6. Specify overriding royalty previously reserved or conveyed, if any	5.0%

7. If any payments out of production have previously been created out of this interest, or if any such payments are being reserved under this transfer, assignment, or sublease, attach statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106.

It is agreed that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 31st day of March, 1986.

BOSWELL ENERGY CORPORATION

By: Jack C. Nelson
(Assignor's Signature)
Jack C. Nelson, Vice President

6600 N. Harvey, Suite 100
(Assignor's Address)

ATTEST:

Jamice Boyd
Asst. Secretary

Oklahoma City, Oklahoma, 73116
(City) (State) (Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved effective MAY 01 1986

By: Willie K. Stans
(Authorized Officer)

Acting Chief, Branch of Lands & Minerals Operations

MAY 16 1986

(Title)

(Date)

ASSIGNEE'S APPLICATION FOR APPROVAL OF TRANSFER
OF OPERATING RIGHTS AND/OR OPERATING AGREEMENT (SUBLEASE)

- A. ASSIGNEE CERTIFIES THAT the assignee and all other parties in interest (as defined in 43 CFR 3100.0-5(b)) in this assignment are:
1. Citizens of the United States or qualified alien stockholders in a domestic corporation; association of the United States; or any State or Territory thereof; or municipalities.
 2. Of the age of majority in the State where the lands to be assigned are located.
 3. In compliance with the acreage limitation set forth in 43 CFR 3101.1-5 and 3101.2-4.
- B. ASSIGNEE AGREES That, upon approval of this transfer of operating rights and/or operating agreement (sublease) by the authorized officer of the Bureau, the assignee shall be bound by the terms and conditions of the lease described herein as to the interests covered by this assignment, including, but not limited to, the obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any drilling operations as prescribed in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to the regulations (43 CFR 3104.2).
- C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 9th day of April, 1986.

MUSTANG PRODUCTION COMPANY

By: E.R. Smith
(Assignee's Signature)
E.R. SMITH, President

1100 First National Center West
(Assignee's Address)

ATTEST:

Karen Crawford
Secretary, Assistant

Oklahoma City, Oklahoma, 73102
(City) (State) (Zip Code)

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SEAL
Affixed

INSTRUCTIONS

1. USE OF FORM - Use only for assignment of operating rights (including working interests) in oil and gas leases. If transfer of operating rights is accompanied by an operating agreement, a single copy of such agreement must be submitted with the assignment. If more than one transfer of operating rights is made out of a lease, a separate instrument of transfer is required for each assignment. A separate instrument of assignment shall be used for each lease out of which an assignment is made.
2. FILING AND NUMBER OF COPIES - File three (3) completed and manually signed copies in the appropriate BLM office. A \$25.00 nonrefundable filing fee must accompany this assignment. File assignment within ninety (90) days after date of final execution.
3. EFFECTIVE DATE OF ASSIGNMENT - The assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers. If an operator's bond is required, it must be furnished prior to approval of the assignment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this assignment and request for approval.

AUTHORITY: 30 U.S.C. et. seq.

PRINCIPAL PURPOSE - The information is to be used to process the assignment and request for approval.

ROUTINE USES:

- (1) The adjudication of the assignee's rights to the land or resources.
- (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
- (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.
- (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION - If all the information is not provided, the assignment may be rejected.

The Paperwork Reduction Act of 1980 (41 U.S.C. 3501 et seq.) requires us to inform you that this information is being collected pursuant to the law (43 CFR 3100-10). This information will be used to create a record of lease assignment. Response to this request is required to obtain a benefit.

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STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 31st day of March, 1986, personally appeared Jack C. Nelson personally known to me to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

In witness whereof, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My Commission Expires:

April 29, 1989

Susan L. Henry
Notary Public



STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 9th day of April, 1986, personally appeared J. R. Smith personally known to me to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

In witness whereof, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My Commission Expires:

October 18, 1988

Judith Kay Casey
Notary Public



RECORDED AT REQUEST OF
Mustang Production Co
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OFFICIAL RECORDS
FOREVA COUNTY, NEVADA
M.M. REBALEATI, RECORDER
FILE NO: 103238
FEE \$ 7.00

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