

ASSIGNMENT OF OIL AND GAS LEASES

For a valuable cash consideration received, and in consideration of the covenants and agreements of Assignee herein contained, and upon and subject to the exceptions, reservations, conditions and other provisions hereinafter set forth, PENNZOIL EXPLORATION AND PRODUCTION COMPANY (PEPCO)

(hereinafter called "Assignor"), 700 Milam, P. O. Box 2967, Houston, Texas 77252-2967, hereby transfers, assigns and delivers, effective as of August 3, 1990 (the "Effective Time"), to GLG Energy, L.P. (hereinafter called "Assignee"), whose address is 400 W. 15th Street, Suite 1400, Austin, TX, 78701, all of Assignor's right, title and interest in and to the oil and gas leases and other interests (if any) described on Exhibit A attached hereto and made a part hereof (the "Leases"), IN SO FAR AND ONLY IN SO FAR,

however, as the Leases cover and include the lands described on said Exhibit A (said leases insofar as they cover and include said lands, being hereinafter called the "Assigned Premises"), together with the contract and other rights appurtenant thereto and utilized in connection therewith.

The term "affiliates", as used herein, shall include (without limitation) the direct and indirect parent and subsidiary companies of a party and any other companies directly or indirectly owned or controlled by such parent or subsidiary company.

THIS ASSIGNMENT IS EXECUTED WITHOUT ANY WARRANTY OF TITLE, EITHER EXPRESS OR IMPLIED, EXCEPT THAT ASSIGNOR WARRANTS THAT THE LEASES ARE FREE AND CLEAR OF LIENS AND ENCUMBRANCES CREATED BY, THROUGH OR UNDER ASSIGNOR.

A. This Assignment is made expressly subject to and upon all of the terms and conditions of that certain Exploratory Agreement dated January 1, 1989, as amended (the "Exploratory Agreement"), between Marathon Oil Company and Pennzoil Exploration and Production Company, and Assignee hereby agrees to comply with the remaining applicable obligations and agreements thereunder. This Assignment is also made expressly subject to and upon all of the terms and conditions of that certain Purchase and Sale Agreement between Assignor and Assignee dated August 20, 1990, and such parties hereby agree to comply with the remaining applicable obligations and agreements thereunder.

FOR PURPOSES OF THIS AGREEMENT, ENCUMBRANCES SHALL MEAN TO INCLUDE, BUT NOT BE LIMITED TO, ANY ADDITIONAL ASSIGNMENTS TO THIRD PARTIES BY ASSIGNOR OF EITHER A WORKING INTEREST OR OVERRIDING ROYALTY INTEREST IN THE SUBJECT PROPERTIES, ASSIGNOR REPRESENTING THAT ASSIGNOR IS HEREBY ASSIGNING A FIFTY PERCENT (50%) OF ONE HUNDRED PERCENT (100%) WORKING INTEREST IN THE SUBJECT PROPERTIES AND DELIVERING THE LEASES TO BUYER WITH LEASE BURDENS OF NINETEEN PERCENT (19%) AS SET FORTH IN PARAGRAPH B HEREIN. IN ADDITION, ASSIGNOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY DATA, INFORMATION OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED ASSIGNEE IN CONNECTION WITH THE ASSIGNED PREMISES, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSIGNED PREMISES OR THE ABILITY OF THE ASSIGNED PREMISES TO PRODUCE HYDROCARBONS. ANY AND ALL SUCH DATA, INFORMATION AND OTHER MATERIALS FURNISHED BY ASSIGNOR IS PROVIDED ASSIGNEE AS A CONVENIENCE AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT ASSIGNEE'S SOLE RISK.

B. There is hereby excepted from this Assignment and reserved to Assignor, its affiliates, successors and assigns, an overriding royalty equal to the difference between the existing royalty burdens in each of the Leases and 19% of the oil, gas and other liquid and gaseous hydrocarbons produced and saved from said Assigned Premises during the terms thereof, including any extensions or renewals of said Leases, which fractional part of such oil, gas and other liquid and gaseous hydrocarbons produced and saved shall be, at the option of Assignor, either delivered to Assignor in kind or the market value thereof paid to Assignor. Market value for the interest in production owned by Assignor shall never be less than the price realized by Assignee for its portion of the production sold, including the fractional part of the net realization from plant products, when and if gas production is processed. The overriding royalty reserved by Assignor shall be free and clear of all costs of exploring, drilling and producing such oil, gas and other liquid and gaseous hydrocarbons and shall be delivered into the pipeline or tanks in the same manner as the royalty of the lessor. The overriding royalty reservation shall be a charge and burden upon said assigned interest, with the understanding, however, said overriding royalty shall be less any and all production, severance or other taxes levied and assessed against the same or against the production by which the same is measured and which Assignee may be authorized by law to deduct and pay. The fractional interest in

production reserved as an overriding royalty is on the basis of said leases covering a full mineral interest and Assignor holding all leasehold rights therein. In the event that any of said leases or Assignor's interest therein does not cover a full mineral interest, the fractional interest in production reserved herein as an overriding royalty shall be proportionately reduced. The overriding royalty reserved herein shall be relinquished by Assignor should Assignee, its successors or assigns, elect not to participate in a Seismic Project or Exploratory Well Project, as proposed under the Exploratory Agreement, it being understood that Assignor shall only relinquish its reserved overriding royalty within the applicable Exploration Target Area or Prospect Area, whichever the case may be, as defined in the Exploratory Agreement. If Assignee secures an extension or renewal of any lease subject hereto prior to the termination of such lease, or within one (1) year thereafter, or if Assignee secures a new lease covering any or all lands described in said leases prior to termination or within one (1) year thereafter, then the overriding royalty reserved herein by Assignor shall attach to such extension, renewal or new lease, and Assignee shall execute a recordable instrument to evidence the overriding royalty of Assignor.

C. As used in this paragraph C. and the numbered subparagraphs hereunder, "claims" shall include claims, demands, causes of action, liabilities, damages, penalties and judgments of any kind or character and all costs and fees in connection therewith.

1. This Assignment is made and accepted, subject to, and Assignee hereby assumes, any and all overriding royalties, payments out of production, net profits, obligations, and other burdens or encumbrances to which the Leases may be subject. Assignee shall, (i) at the Effective Time assume, and be responsible for, and comply with all duties and obligations of Assignor, express or implied, with respect to the Leases, including, without limitation, those arising under or by virtue of any lease or other document related thereto, contract or agreement (specifically including, without limitation, unit agreements, operating agreements, and exploration agreements listed on Exhibit A attached hereto), document, permit, applicable statute or rule, regulation or order of any governmental authority (specifically including, without limitation, any governmental request or requirement to plug, re-plug and/or abandon any well of whatsoever type, status or classification, or take any clean-up or other action with respect to the property or premises) and (ii) defend, indemnify and hold Assignor harmless from any and all claims, in connection therewith, except any such claims asserted against Assignor prior to the Effective Time and expressly assumed by Assignor in writing.

2. Assignee shall defend, indemnify and hold Assignor harmless from any and all claims in favor of any person for personal injury, death or damage to property or the environment, or for any other relief, arising directly or indirectly from, or incident to, the use, occupation, operation, maintenance or abandonment of any of the Leases, or condition of the property or premises, whether latent or patent, and whether arising from or contributed to by the negligence in any form of Assignor, its agents, employees or contractors; and asserted against Assignee and/or Assignor after the Effective Time, whether or not any such claims result from conditions, actions or inactions at or before the Effective Time.

The provisions hereof shall bind and inure to the benefit of Assignee and Assignor and their respective affiliates, heirs, devisees, legal representatives, successors and assigns and shall constitute covenants running with the land and interests hereby affected.

EXECUTED this 14th day of September, 1990, but effective as of the above-stated Effective Time.

ASSIGNOR
Pennzoil Exploration and
Production Company

By: Michael L. McCullough
Michael L. McCullough,
Agent and Attorney-in-Fact

APPROVED
EXPL
EXPL
PROD
LAND
LAND
LAND
LEAD

ASSIGNEE
GLG Energy, L.P.,
by GLG Energy, Inc.
General Partner

By: Sharon A. King
Its: Assistant Secretary

COPY

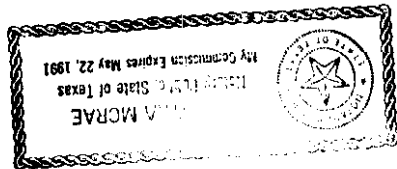


Notary Public
Residing at:
James Co. TX

On the 17th day of September, 1990, personally appeared before me, Shirley W. Braxton, who, being by me duly sworn, did say that he is the Assistant Secretary of GLG Energy, Inc., General Partner of GLG Energy, L.P., and that said instrument was signed in behalf of said limited partnership by authority of a resolution of its Board of Directors and said Shirley W. Braxton acknowledged to me that said limited partnership executed the same.

STATE OF TEXAS)
COUNTY OF TRAVIS)

Notary Public
Residing at:
P.O. Box 2967, Houston, TX 77252



On the 14th day of September, 1990, personally appeared before me, Michael L. McCullough, who, being by me duly sworn, did say that he is the Agent and Attorney-in-Fact of Pennzoil Exploration and Production Company and that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said Michael L. McCullough acknowledged to me that said corporation executed the same.

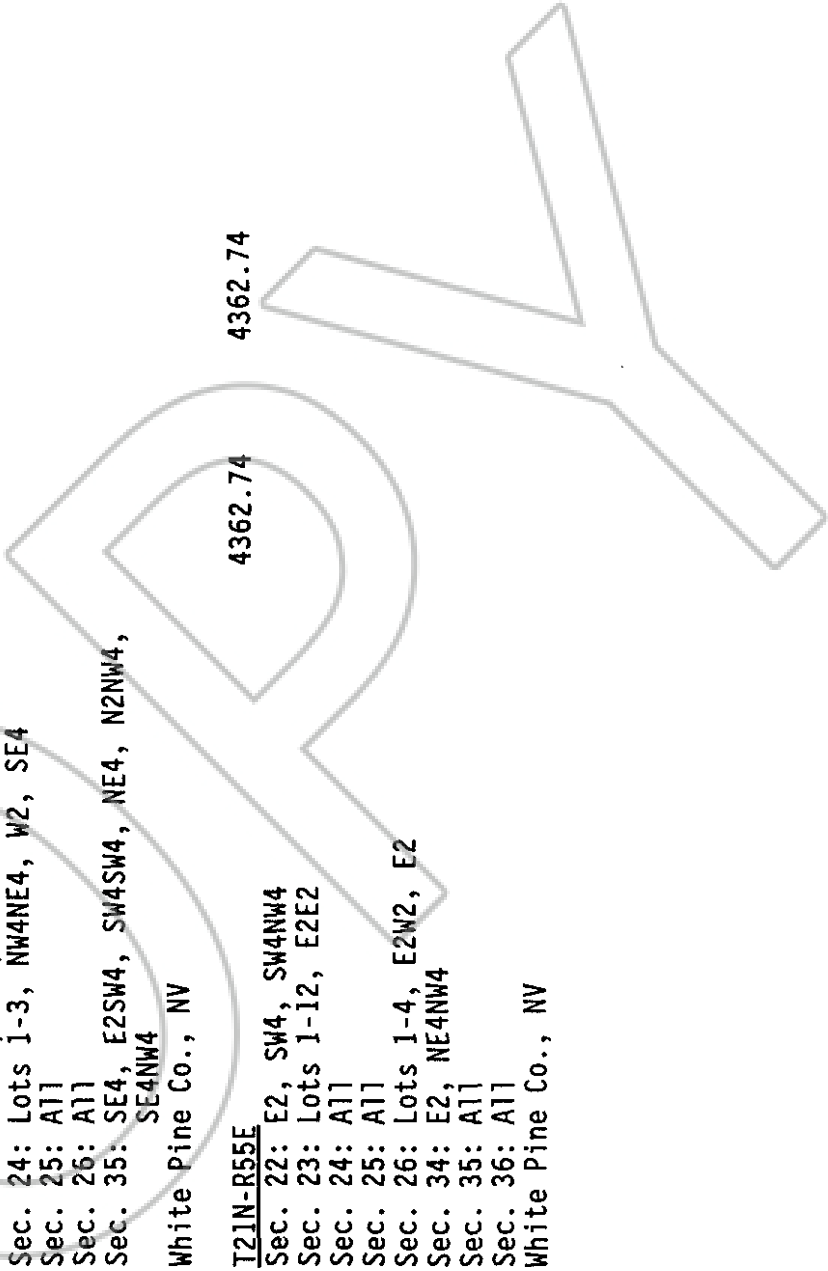
STATE OF TEXAS)
COUNTY OF HARRIS)

Exhibit "A"

Attached to and made a part of that certain Assignment of Oil and Gas Leases dated September 14, 1990, between Pennzoil Exploration and Production Company and GLG Energy, L.P.

<u>I. Leases</u>	<u>Lessor</u>	<u>Expiration Date</u>	<u>Lease Description</u>	<u>Gross Acres</u>	<u>Net Acres</u>
	USA N-33856 (62335-00)	11/30/91	T20N-R55E Sec. 20: E2 Sec. 29: E2 Sec. 32: A11 White Pine Co., NV	1280.00	1280.00
	USA N-35535 (62337-00)	3/31/93	T26N-R56E Sec. 21: Lots 2,3, SW4NE4, W2SE4, N2SW4, SW4SW4 Sec. 28: Lots 3,4, SW4NE4, S2NW4, SE4SW4, NW4SE4, N2SW4SW4, N2SW4 Sec. 33: Lots 3,4,5,6, SW4NE4 White Pine Co., NV	903.72	903.72
	USA N-43788 (88945-00)	3/31/98	T19N-R55E Sec. 1: Lots 1-4, S2N2, S2 Sec. 2: Lots 1-4, S2N2, S2 Sec. 11: A11 Sec. 12: A11 Sec. 13: A11 Sec. 14: A11 Sec. 23: A11 Sec. 24: A11 Sec. 25: N2, SE4, N2SW4, SW4SW4 Sec. 26: A11 Sec. 35: A11 Sec. 36: A11 White Pine Co., NV	7645.50	7645.50

<u>Lessor</u>	<u>Expiration Date</u>	<u>Lease Description</u>	<u>Gross Acres</u>	<u>Net Acres</u>
USA N-43789 (88946-00)	3/31/98	T20N-R55E Sec. 1: Lots 1-7, S2NW4, SW4NE4, W2SE4, SW4 Sec. 2: Lots 3,5,6,7,8,9, SW4NE4, W2SE4 SW4, SE4NW4 Sec. 10: SE4NE4 Sec. 11: Lots 1,2, W2NE4, NW4, S2 Sec. 12: Lots 1-7, SW4NE4, S2NW4, SW4, W3/4SE4 Sec. 13: Lots 1-4, W2E2, W2 Sec. 14: N2N2, S2NE4 Sec. 23: N2NE4, SE4, E2SW4 Sec. 24: Lots 1-3, NW4NE4, W2, SE4 Sec. 25: A11 Sec. 26: A11 Sec. 35: SE4, E2SW4, SW4SW4, NE4, N2NW4, SE4NW4 White Pine Co., NV	6169.76	6169.76
USA N-43791 (88944-00)	3/31/98	T21N-R55E Sec. 22: E2, SW4, SW4NW4 Sec. 23: Lots 1-12, E2E2 Sec. 24: A11 Sec. 25: A11 Sec. 26: Lots 1-4, E2W2, E2 Sec. 34: E2, NE4NW4 Sec. 35: A11 Sec. 36: A11 White Pine Co., NV	4362.74	4362.74



Gross Acres 10181.57
Net Acres 10181.57

Lessors
 USA N-47194
 (88948-00)

Expiration Date
 1/31/98

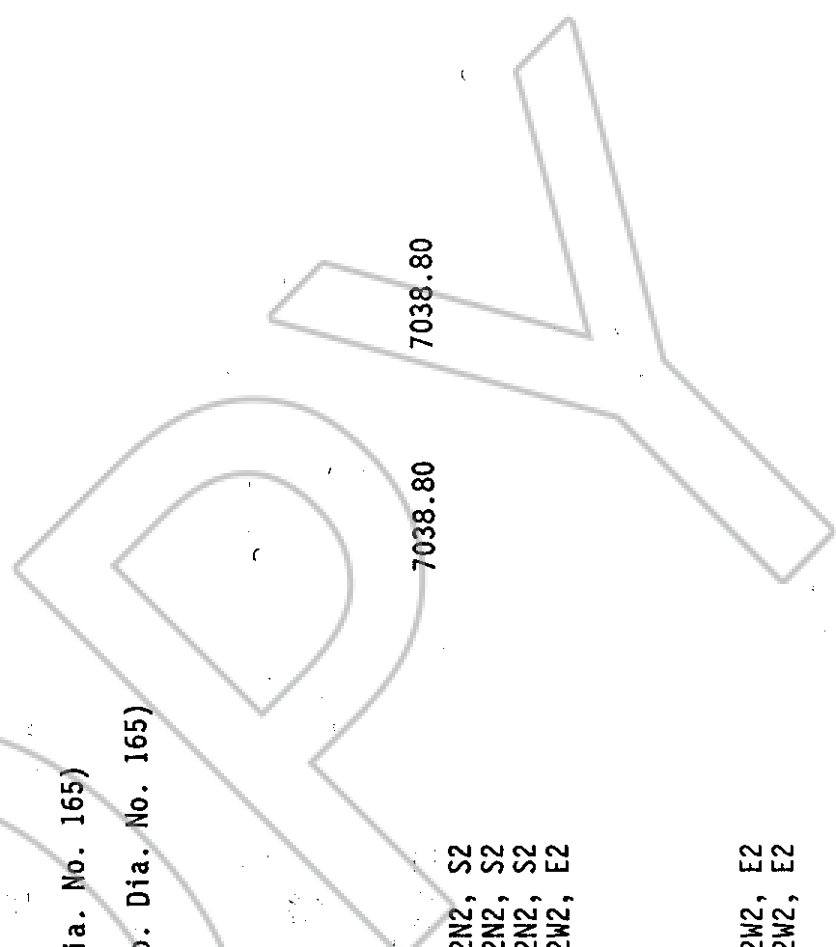
Lease Description
 T23N-R53E
 Sec. 1: Lots 1-4, S2N2, S2
 Sec. 2: Lots 1,2, S2NE4
 Sec. 2: S2, NW4 (Pro. Dia. No. 165)
 Sec. 3: A11 (Pro. Dia. No. 165)
 Sec. 4: Lots 3,4, S2NW4
 Sec. 4: E2, SW4 (Pro. Dia. No. 165)
 Sec. 5: Lots 1-4, S2N2, S2
 Sec. 6: Lots 1-7, E2SW4, SE4NW4, S2NE4, SE4
 Sec. 7: Lots 1-4, E2W2, E2
 Sec. 8: A11
 Sec. 9: N2, SE4
 Sec. 9: SW4 (Pro. Dia. No. 165)
 Sec. 10: A11
 Sec. 11: N2, SW4 (Pro. Dia. No. 165)
 Sec. 11: SE4
 Sec. 12: A11
 Sec. 13: A11
 Sec. 14: A11
 Sec. 15: A11
 Sec. 16: A11
 Eureka Co., NV

Gross Acres 7038.80
Net Acres 7038.80

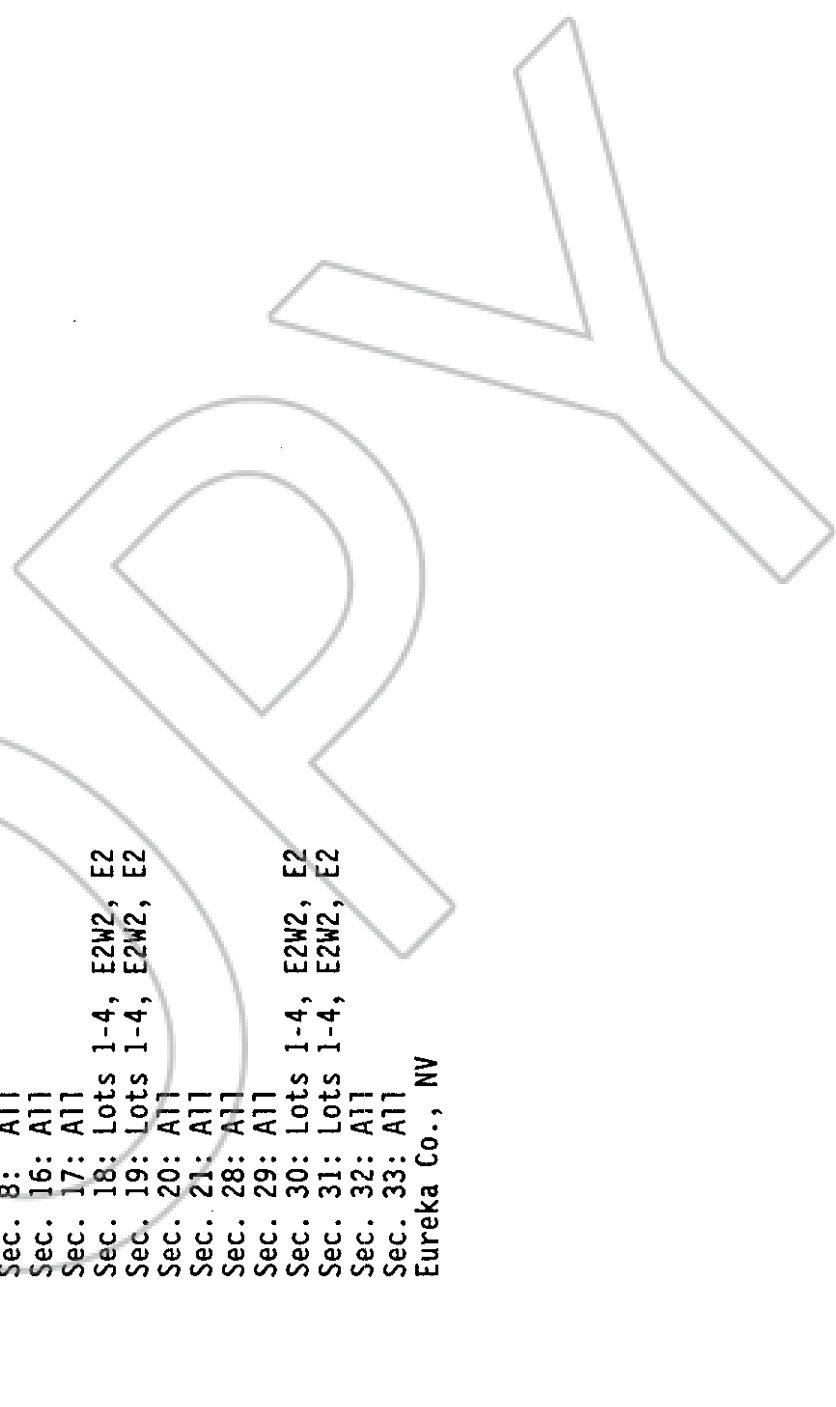
Lessors
 USA N-47209
 (88949-00)

Expiration Date
 11/30/97

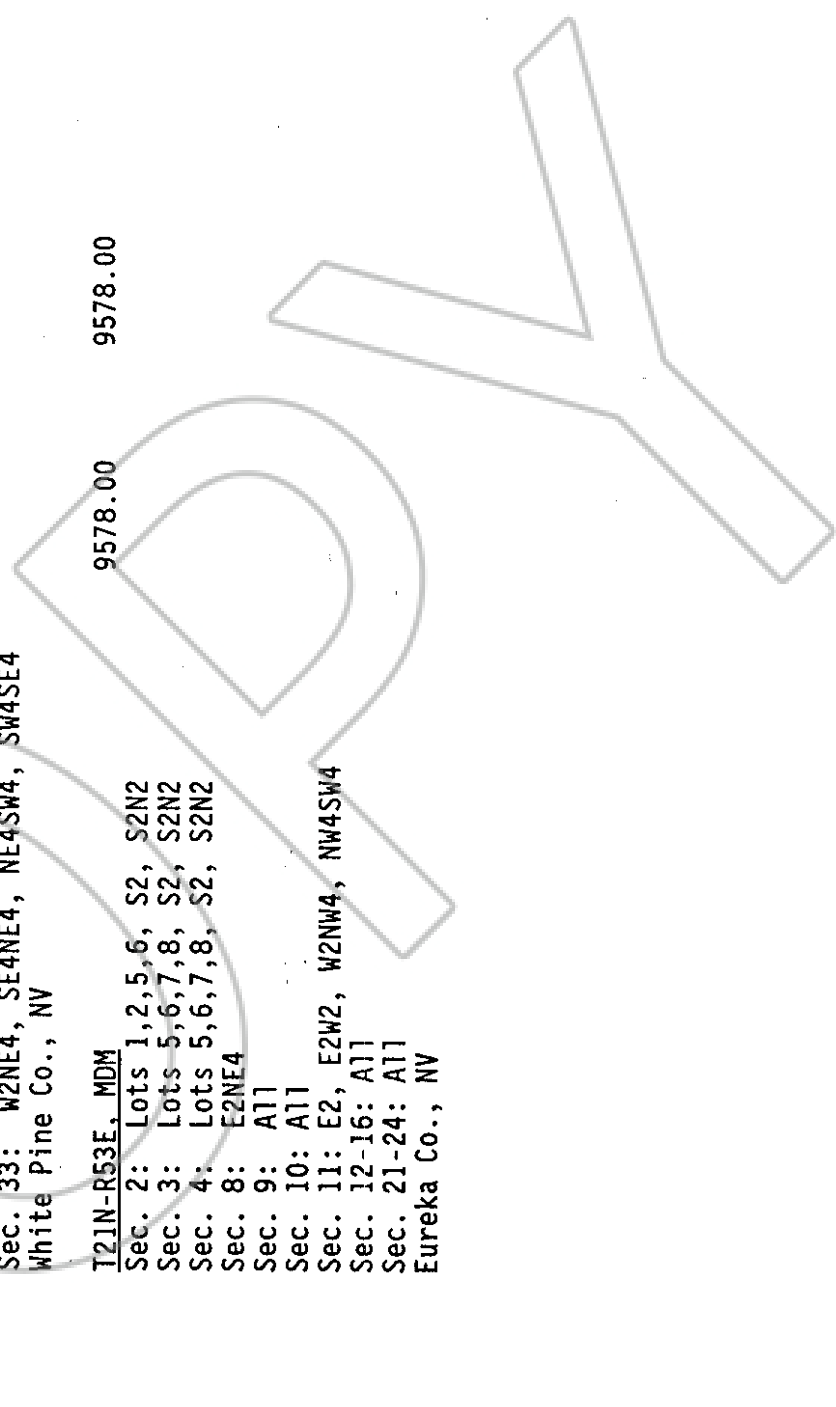
Lease Description
 T21N-R54E
 Sec. 3: Lots 1-4, S2N2, S2
 Sec. 4: Lots 1-4, S2N2, S2
 Sec. 5: Lots 1-4, S2N2, S2
 Sec. 7: Lots 1-4, E2W2, E2
 Sec. 8: A11
 Sec. 9: A11
 Sec. 10: A11
 Sec. 16: A11
 Sec. 17: A11
 Sec. 19: Lots 1-4, E2W2, E2
 Sec. 31: Lots 1-4, E2W2, E2
 Eureka Co., NV



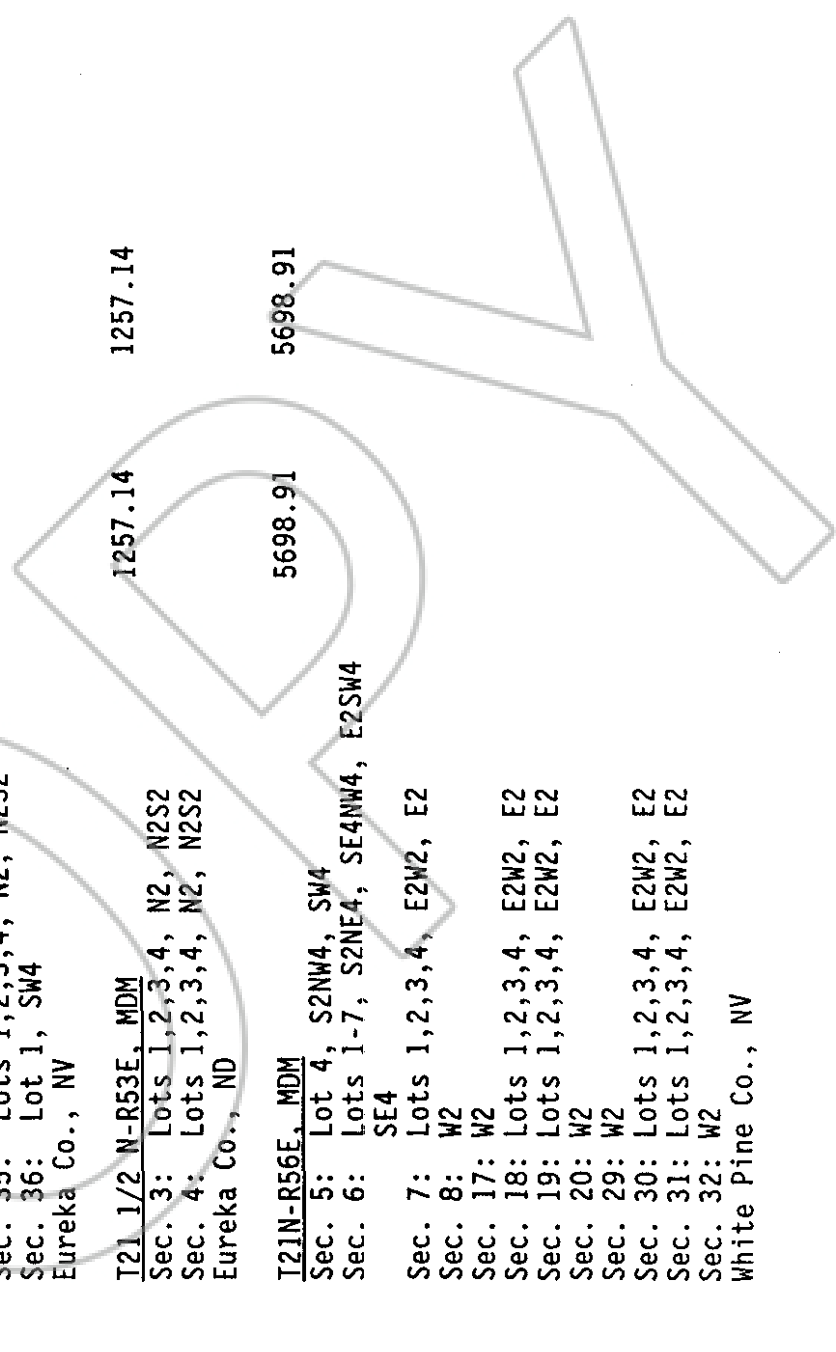
<u>Lessor</u>	<u>Expiration Date</u>	<u>Lease Description</u>	<u>Gross Acres</u>	<u>Net Acres</u>
USA N-47210 (88950-00)	1/31/98	T21 1/2 N-R54E Sec. 32: Lots 1-4, S2N2, S2 Sec. 33: Lots 1-4, S2N2, S2 Sec. 34: Lots 1-4, S2N2, S2 Eureka Co., NV	1721.56	1721.56
USA N-47213 (89002-00)	11/30/97	T24N-R54E Sec. 5: Lots 1-4, S2N2, S2 Sec. 6: Lots 1-7, SE4NW4, S2NE4, SE4, E2SW4 Sec. 7: Lots 1-4, E2W2, E2 Sec. 8: A11 Sec. 16: A11 Sec. 17: A11 Sec. 18: Lots 1-4, E2W2, E2 Sec. 19: Lots 1-4, E2W2, E2 Sec. 20: A11 Sec. 21: A11 Sec. 28: A11 Sec. 29: A11 Sec. 30: Lots 1-4, E2W2, E2 Sec. 31: Lots 1-4, E2W2, E2 Sec. 32: A11 Sec. 33: A11 Eureka Co., NV	9521.82	9521.82



<u>Lessor</u>	<u>Expiration Date</u>	<u>Lease Description</u>	<u>Gross Acres</u>	<u>Net Acres</u>
USA N-49177 (88907-00)	8/31/93	T19N-R56E Sec. 36: A11 White Pine Co., NV	640.00	640.00
USA N-49193 (88908-00)	8/31/93	T19N-R57E Sec. 19: Lots 1-4, E2W2, E2 Sec. 31: Lots 1-4, E2W2, E2 White Pine Co., NV	1234.72	1234.72
USA N-49194 (88906-00)	8/31/93	T20N-R57E Sec. 32: S2N2 Sec. 33: W2NE4, SE4NE4, NE4SW4, SW4SE4 White Pine Co., NV	360.00	360.00
USA N-47189 (88947-00)	1/31/98	T21N-R53E, MDM Sec. 2: Lots 1,2,5,6, S2, S2N2 Sec. 3: Lots 5,6,7,8, S2, S2N2 Sec. 4: Lots 5,6,7,8, S2, S2N2 Sec. 8: E2NE4 Sec. 9: A11 Sec. 10: A11 Sec. 11: E2, E2W2, W2NW4, NW4SW4 Sec. 12-16: A11 Sec. 21-24: A11 Eureka Co., NV	9578.00	9578.00

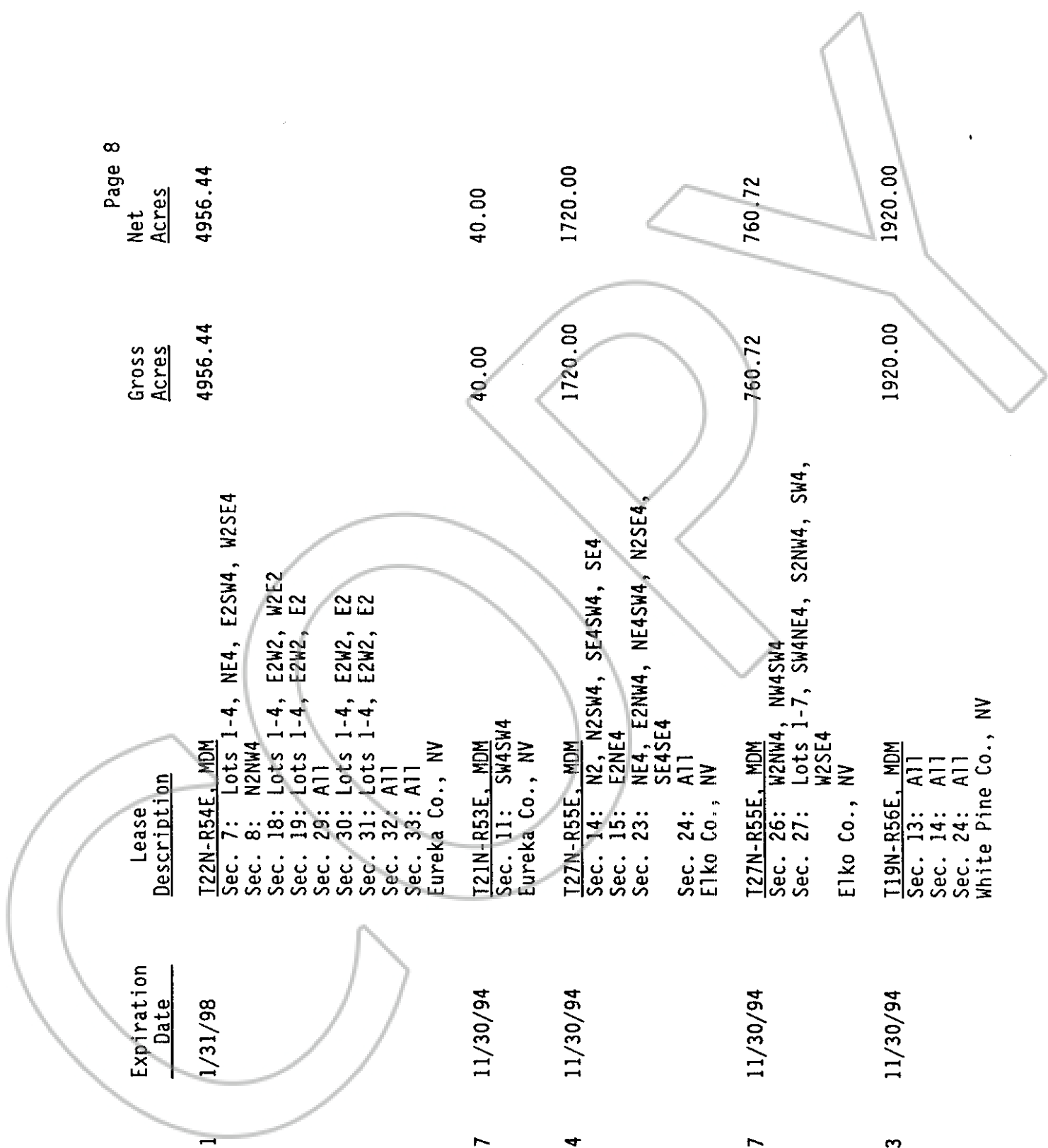


<u>Lessors</u>	<u>Expiration Date</u>	<u>Lease Description</u>	<u>Gross Acres</u>	<u>Net Acres</u>
USA N-47190 (88953-00)	1/31/98	T21N-R53E, MDM Sec. 25: A11 Sec. 26: A11 Sec. 27: A11 Sec. 28: A11 Sec. 30: Lots 5,6,7,8, E2W2, W2SE4 Sec. 31: Lots 5-15, E2NW4, NE4SW4, NE4, N2SE4 Sec. 32: Lots 1-8, N2, N2S2 Sec. 33: Lots 1-8, N2, N2S2 Sec. 34: Lots 1-8, N2, N2S2 Sec. 35: Lots 1,2,3,4, N2, N2S2 Sec. 36: Lot 1, SW4 Eureka Co., NV	6653.62	6653.62
USA N-47191 (88954-00)	1/31/98	T21 1/2 N-R53E, MDM Sec. 3: Lots 1,2,3,4, N2, N2S2 Sec. 4: Lots 1,2,3,4, N2, N2S2 Eureka Co., ND	1257.14	1257.14
USA N-47948 (88966-00)	3/31/98	T21N-R56E, MDM Sec. 5: Lot 4, S2NW4, SW4 Sec. 6: Lots 1-7, S2NE4, SE4NW4, E2SW4 SE4 Sec. 7: Lots 1,2,3,4, E2W2, E2 Sec. 8: W2 Sec. 17: W2 Sec. 18: Lots 1,2,3,4, E2W2, E2 Sec. 19: Lots 1,2,3,4, E2W2, E2 Sec. 20: W2 Sec. 29: W2 Sec. 30: Lots 1,2,3,4, E2W2, E2 Sec. 31: Lots 1,2,3,4, E2W2, E2 Sec. 32: W2 White Pine Co., NV	5698.91	5698.91



<u>Lessor</u>	<u>Expiration Date</u>	<u>Lease Description</u>	<u>Gross Acres</u>	<u>Net Acres</u>
USA N-51618 (89027-00)	8/31/94	<u>T21 1/2 N-R53E, MDM</u> Sec. 1: Lots 1-6, NW4, N2SW4 Sec. 2: Lots 1-4, N2, N2S2 Eureka Co., NV	1040.85	1040.85
USA N-51619 (89028-00)	8/31/94	<u>T22N-R53E, MDM</u> (Pro. Dia. No. 166) Sec. 35: A11 Sec. 36: A11 Eureka Co., NV	1154.00	1154.00
USA N-51621 (89029-00)	8/31/94	<u>T21N-R54E, MDM</u> (Pro. Dia. No. 167) Sec. 6: Lots 1-7, S2NE4, SE4NW4 E2SW4, SE4 Eureka Co., NV	639.80	639.80
USA N-46346 (89026-00)	4/30/97	<u>T26N-R56E, MDM</u> Sec. 18: Lots 1-4, E2W2, E2 Sec. 19: Lots 1-4, E2W2, E2 Elko and White Pine Counties, NV	1275.76	1275.76
USA N-43453 (89025-00)	7/31/96	<u>T27N-R55E, MDM</u> Sec. 1: Lots 1-4, S2NE4, NE4SE4, S2SW4 Sec. 2: Lots 3,4, S2NW4, SW4, W2SE4, SE4SE4 Sec. 3: Lots 1-4, S2N2, S2 (A11) Sec. 10: N2, SE4, NE4SW4 Sec. 11: A11 Sec. 12: NW4, S2, W2NE4, SE4NE4 Sec. 13: A11 Elko Co., NV	3845.44	3845.44

<u>Lessor</u>	<u>Expiration Date</u>	<u>Lease Description</u>	<u>Gross Acres</u>	<u>Net Acres</u>
USA N-47211 (89037-00)	1/31/98	T22N-R54E, MDM Sec. 7: Lots 1-4, NE4, E2SW4, W2SE4 Sec. 8: N2NW4 Sec. 18: Lots 1-4, E2W2, W2E2 Sec. 19: Lots 1-4, E2W2, E2 Sec. 29: A11 Sec. 30: Lots 1-4, E2W2, E2 Sec. 31: Lots 1-4, E2W2, E2 Sec. 32: A11 Sec. 33: A11 Eureka Co., NV	4956.44	4956.44
USA N-52137 (89061-00)	11/30/94	T21N-R53E, MDM Sec. 11: SW4SW4 Eureka Co., NV	40.00	40.00
USA N-52144 (89062-00)	11/30/94	T27N-R55E, MDM Sec. 14: N2, N2SW4, SE4SW4, SE4 Sec. 15: E2NE4 Sec. 23: NE4, E2NW4, NE4SW4, N2SE4, SE4SE4 Sec. 24: A11 Elko Co., NV	1720.00	1720.00
USA N-52147 (89063-00)	11/30/94	T27N-R55E, MDM Sec. 26: W2NW4, NW4SW4 Sec. 27: Lots 1-7, SW4NE4, S2NW4, SW4, W2SE4 Elko Co., NV	760.72	760.72
USA N-52153 (89064-00)	11/30/94	T19N-R56E, MDM Sec. 13: A11 Sec. 14: A11 Sec. 24: A11 White Pine Co., NV	1920.00	1920.00



133677

EUREKA COUNTY RECORDS
M.N. REBALANCE, RECORDER
FILE NO. -

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 214 PAGE 309
ALL Energy
90 SEP 24 PM 10

Page 9

Gross	Acres	40.00
Net	Acres	40.00

Lease Description

T19N-R56E, MDM
Sec. 26: SE4NE4
White Pine Co., NV

Expiration Date

1/31/98

Lessor

USA N-47652
(89060-00)

and between Marathon Oil

II. Agreements

1. Exploratory Agreement dated January 1, 1989, as amended, by and between Marathon Oil Company and Pennzoil Exploration and Production Company.

PLEASE RETURN TO:
EFC ENERGY LP
400 W. 17TH STREET
SUITE 1400
AUSTIN, TX 78701

