

NOV 25 1990

134998

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

RECEIVED  
Bureau of Land Management  
NOV 13 1990

NEVADA STATE OFFICE  
RENO, NEVADA

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

N-46842

Lease Serial No.

FORM APPROVED  
OMB NO. 1004-0034  
Expires: August 31, 1989

Type or print plainly in ink and sign in ink.

PART A. TRANSFEREE

MARBOB ENERGY CORPORATION  
P.O. Drawer 217  
Artesia, NM 88211  
38.5%

1. Transferree (Sublessee)  
Street  
City, State, ZIP Code

\*If more than one transferree, check here  and list the name(s) and address(es) of all additional transferrees on the reverse of this form or on a separate attached sheet of paper.

This transfer is for:  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed:  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description		Percent of Interest		Percent of Overriding Royalty or Similar Interests	
a	b	c	d	e	f
Sec. 15: A11 Sec. 16: A11 Sec. 17: A11 Sec. 18: Lots 1, 2, 3, 4, E½W½, E½ Sec. 19: Lots 1, 2, 3, 4, E½NW½, NE½SW½, E½ Sec. 20: A11 Sec. 21: A11 Sec. 22: A11 Sec. 23: A11 Sec. 24: A11 Sec. 25: A11 Sec. 26: N½, SE½, NE½SW½, SE½SW½ Sec. 27: A11 Sec. 28: A11 Sec. 29: A11 Sec. 30: Lots 1, 4, E½SW½, SE½, S½NE½, NE½NE½ Containing 9905.64 acres, more or less, located in Eureka County, Nevada	100%	81.5%	18.5%	5%	
T-25-N, R-51-E, Mount Diablo Meridian					

Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective DEC 1 - 1990

By [Signature]  
(Authorized Officer)

Chief, Minerals Section  
(Title)  
NOV 19 1990  
(Date)

PART C: GENERAL INSTRUCTIONS

1. Transferor/Transferree(s) must complete Parts A1 and A2 and Part B. All parties to transfer must sign as follows: The transferor(s) must manually sign 3 original copies, and the transferree(s) must manually sign at least 1 of the 3 original copies. File three (3) completed copies of this form in the proper BLM office for each transfer of operating rights (sublease). For a transfer of overriding royalty interest, payment out of production or other similar interest or payment, file one (1) manually signed copy of this form. The required filing fee (non-refundable) must accompany the transfer, payment out of production or other similar interests or payments. File transfer within ninety (90) days after date of execution by transferor.
2. Separate form must be used for each lease being affected by this transfer and for each type of interest conveyed.
3. In item No. 2 of Part A, describe lands affected (Sec 43 CFR 3106.3135, or 3241). For column b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease; e.g., if transferor transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.
4. If any payments out of production or similar interests, arrangements or payments have previously been created out of the interest being transferred, or if any such payments or interests are reserved under this transfer include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106.3135, or 3241.
5. The lease account must be in good standing before this transfer (sublease) can be approved (43 CFR 3106 and 3241.)
6. Transfer, if approved, takes effect on the first day of the month following date of filing in the proper BLM office. If a bond is necessary, it must be furnished prior to approval of the transfer.
7. Overriding royalty and payment out of production or other similar types of transfers must be filed with BLM, but will be accepted for record purposes only. No official approval will be given.
8. Upon approval of a transfer of operating rights (sublease), the sublessee is responsible for all lease obligations under the lease rights transferred to the sublessee.

**PAPERWORK REDUCTION ACT STATEMENT**

1. This information is being collected pursuant to the law.

2. This information will be used to create and maintain a record of oil and gas/geothermal lease activity.

3. Response to this request is required to obtain benefit.

**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 oil and gas/geothermal lease transfer application.

AUTHORITY: 30 U.S.C. 181 et seq; 30 U.S.C. 1001-1025; 42 U.S.C. 6508

**PRINCIPAL PURPOSE**—The information is to be used to process transfers of operating rights (subleases) for oil and gas/geothermal resources leases.

Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional transferees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed.

ABBY CORPORATION P.O. Box 1629 Grand Junction, Co. 81502	5.5%	COLIN MCMILLAN 118 W. First St. Roswell, NM 88201
LOY FLETCHER P.O. Box 852 Artesia, NM 88211	2.5%	RAILHEAD ENERGY PARTNERS, LTD. 4514 Cole Ave., Suite 400 Dallas, TX. 75205
James Guy P.O. Box 100 Artesia, NM 88211	2.5%	YATES PETROLEUM CORPORATION 105 South Fourth Artesia, NM 88210
McLELLAN OIL CORPORATION P.O. Box 730 Roswell, NM 88202	8.0%	

**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.

2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts. (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.

3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an 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 operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (¼) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 7<sup>th</sup> day of November, 19 90

Name of Transferor  
HANAGAN PETROLEUM CORPORATION  
Please type or print  
By: *Hugh F. Handgan* President  
(Signature)  
Attorney-in-fact

P.O. Box 1737  
(Transferor's Address)  
Roswell NM 88201  
(City) (State) (Zip Code)

Executed this 29<sup>th</sup> day of October, 19 90

Transferor  
MARBOB ENERGY CORPORATION  
By: *Mark A. Moore* President  
(Signature)  
Attorney-in-fact

(Signature)  
(City) (State) (Zip Code)

My Commission expires: 8/12/93

On this 7<sup>th</sup> day of November, 1990, personally appeared before me, a notary public, Hugh E. Hanagan, President of Hanagan Petroleum Corporation, a New Mexico corporation, personally known to me to be the person whose name is subscribed to the above instrument, who acknowledged that he executed the instrument.

*Paula J. Toben*  
Notary Public

STATE OF NEW MEXICO  
COUNTY OF CHAVES

ss. )

ACKNOWLEDGMENT

My Commission expires: 11/28/91

On this 29<sup>th</sup> day of October, 1990, personally appeared before me, a notary public, Mark C. Chase, President of Marbob Energy Corp- ration, a New Mexico corporation, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

*Joseph Ryan*  
Notary Public

STATE OF NEW MEXICO  
COUNTY OF EDDY

ss. )

ACKNOWLEDGMENT



PART B: CERTIFICATION AND REQUEST FOR APPROVAL

- The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska. If this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
- Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an 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 operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 19 90

Name of Transferor HANAGAN PETROLEUM CORPORATION

Please type or print

BY: \_\_\_\_\_

(Signature)

Transferee BY: Scott A. Harris President

or

(Signature)

Attorney-in-fact

Attorney-in-fact

P.O. Box 1737

(Transferor's Address)

Roswell, NM 88202

(State)

(zip Code)

The 18 U.S.C. Sec. 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 or fraudulent statements or representations as to any matter within its jurisdiction.

ACKNOWLEDGMENT

STATE OF COLORADO

COUNTY OF MESA

ss. }

On this 31 day of October, 1990, personally appeared before me, a notary public, Scott A. Harris, President of Abby Corporation, a New Mexico corporation, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

Notary Public Doris S. Van Loan

*Doris S. Van Loan*

My Commission expires: April 23, 1994

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

- The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts. (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
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For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this \_\_\_\_\_ day of October, 19 90

Name of Transferor: HANAGAN PETROLEUM CORPORATION

BY: \_\_\_\_\_

or \_\_\_\_\_  
 Attorney-in-fact \_\_\_\_\_  
 Hugh E. Hanagan, President

P.O. Box 1737

(Transferee's Address)  
 Roswell NM 88202  
 (City) (State) (Zip Code)

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ACKNOWLEDGMENT

STATE OF NEW MEXICO

COUNTY OF EDDY

ss. }

On this 22nd day of October, 1990, personally appeared before me, a notary public, LOY FLETCHER, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

My Commission expires: June 23, 1993

Notary Public

*Loy Fletcher*



**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

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I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 19 90

Name of Transferor HANAGAN PETROLEUM CORPORATION

By: \_\_\_\_\_

Hugh E. Hanagan, President

(Signature) \_\_\_\_\_

P.O. Box 1737

(Transferor's Address)

Roswell NM 88202

(City) (State) (Zip Code)

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**ACKNOWLEDGMENT**

STATE OF NEW MEXICO

COUNTY OF EDDY

ss. }

On this 22nd day of October, 1990, personally appeared before me, a notary public, JAMES GUY, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

My Commission expires: June 23, 1993

Notary Public

*Betty O. Miller*

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

- The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPA leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska. If this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts. (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
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For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 19 90

Executed this 23 day of October, 19 90

Name of Transferor HANAGAN PETROLEUM CORPORATION

McCLELLAN OIL CORPORATION

Please type or print

By: \_\_\_\_\_

BY: Mark McCellan

Hugh E. Hanagan, President

\_\_\_\_\_  
Attorney-in-fact

P.O. Box 1737

\_\_\_\_\_  
Attorney-in-fact

(Transferor's Address)

Roswell NM 88202

(State)

(City)

(Zip Code)

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ACKNOWLEDGMENT

STATE OF NEW MEXICO

SS. }

COUNTY OF CHAVES

On this 23rd day of October, 1990, personally appeared before me, a notary public, Mark McCellan, Vice President of McCLELLAN OIL CORPORATION, a New Mexico corporation, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

My Commission expires: \_\_\_\_\_

10-14-91

Notary Public Leona Stewart

Leona Stewart

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.

2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NFR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located. (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts. (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.

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I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 19 90

Name of Transferor HANAGAN PETROLEUM CORPORATION

Transferor BY: \_\_\_\_\_

Hugh E. Hanagan, President

P.O. Box 1737

Roswell NM 88202

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ACKNOWLEDGMENT

STATE OF NEW MEXICO

COUNTY OF CHAVES

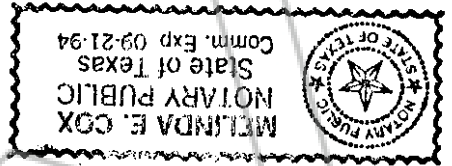
ss. }

On this 22 day of October, 1990, personally appeared before me, a notary public, Richard G. Martin, Agent for Colin McMillan, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

My Commission expires: Feb. 3, 1992

Notary Public [Signature]





My Commission expires: Sept 21, 1994

Melinda E. Cox  
Notary Public

On this 4th day of November, 1990, personally appeared before me, a notary public, Kenneth Z. Scott, President/General Partner of RAILHEAD ENERGY PARTNERS, LTD., a TEXAS corporation, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

STATE OF Texas  
COUNTY OF Dallas  
ss. }

ACKNOWLEDGMENT

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Name of Transferor: HANAGAN PETROLEUM CORPORATION  
P.O. Box 1737  
Roswell, NM 88202

Transferor: Hugh E. Hanagan, President  
BY: [Signature]  
Attorney-in-fact (Signature)

Transferee: RAILHEAD ENERGY PARTNERS, LTD.  
BY: [Signature]  
Attorney-in-fact (Signature)

Executed this 4th day of October, 19 90  
Executed this 4th day of October, 19 90

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.  
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located: (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas leases or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska. If this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts.  
(e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.  
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PART B: CERTIFICATION AND REQUEST FOR APPROVAL

134998

EUREKA COUNTY, NEVADA  
M.N. REBAL EATL. RECORDER  
FILE NO. FEE \$14.00

90 DEC 18 AM 9:00

BOOK 218 PAGE 149  
RECORDED AT THE REQUEST OF  
OFFICIAL RECORDS  
Hanagan Petroleum Corporation

My Commission expires: 3-1-97

Hanagan Petroleum Corporation  
Notary Public

On this 26<sup>th</sup> day of October, 1990, personally appeared before me, a notary public, John L. Yates, Attorney-in-Fact of YATES PETROLEUM CORPORATION, a New Mexico corporation, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

STATE OF NEW MEXICO  
COUNTY OF EDDY

SS. }

ACKNOWLEDGMENT

The 18 U.S.C. Sec. 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 or fraudulent statements or representations as to any matter within its jurisdiction.

Name of Transferor: HANAGAN PETROLEUM CORPORATION  
P.O. Box 1737  
Roswell, NM 88202  
(City) (State) (Zip Code)

Transferor By: Hugh E. Hanagan, President  
(Signature)  
Attorney-in-fact

Transferor By: [Signature]  
or  
Attorney-in-fact

Executed this 26<sup>th</sup> day of October, 19 90  
Executed this 26<sup>th</sup> day of October, 19 90

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

- The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
- Transferor certifies as follows: (a) Transferor is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NFR-A leases, transferor is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations. (b) Transferor is not considered a minor under the laws of the State in which the lands covered by this transfer are located. (c) Transferor's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts.
- Transferor certifies that this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an 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 operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL