

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

146082

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

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: July 31, 1992

1. Transferee (Sublessee)*

HANAGAN PETROLEUM CORPORATION

Street P.O. BOX 1737

City, State, ZIP Code ROSWELL, NM

88202

*If more than one transferee, check here and list the name(s) and address(es) of all additional transferees 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			Reserved or Previously Reserved or Conveyed	Percent of Overriding Royalty or Similar Interests
	Owned	Conveyed	Retained		
T-25-N, R-51-E, Mount Diablo Meridian	81.5%	81.5%	0	5%	
Sec. 15: A11					
Sec. 16: A11					
Sec. 17: A11					
Sec. 18: Lots 1, 2, 3, 4, E1W1, E1					
Sec. 19: Lots 1, 2, 3, 4, E1N1W1, NE1SW1, E1					
Sec. 20: A11					
Sec. 21: A11					
Sec. 22: A11					
Sec. 23: A11					
Sec. 24: A11					
Sec. 25: A11					
Sec. 26: N1, N1SW1, SE1SW1					
Sec. 27: A11					
Sec. 28: A11					
Sec. 29: A11					
Sec. 30: Lots 1, 4, E1SW1, SE1, S1NE1, NE1NE1					
Containing 9905.64 acres, m/1, located in Eureka Co., Nevada					

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.

THE UNITED STATES OF AMERICA
 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 _____

By _____ (Authorized Officer)

(Title)

(Date)

PART C: GENERAL INSTRUCTIONS

1. Transferee/Transferee(s) must complete Parts A1 and A2 and Part B. All parties to transfer must sign as follows: The transferee(s) must manually sign 3 original copies, and the transferee(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 (nonrefundable) 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 transferee.
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 columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease; e.g., if transferee transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.
4. 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.
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.

ROUTINE USES:

(1) The approval of transferee'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 requested information is not provided, the transfer may not be approved. See regulations at 43 CFR Groups 3100 and 3200.

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		COLIN McMILLAN		RAILHEAD ENERGY PARTNERS, LTD.		JAMES GUY		MCCLELLAN OIL CORPORATION		YATES PETROLEUM CORPORATION	
5.5% Int.	P.O. Box 1629	5.5% Int.	118 W. First St.	5.0%	P.O. Box 811666	38.5%	P.O. Box 100	8.0	P.O. Box 730	15.0%	105 South Fourth St.
	Grand Junction, Co. 81502		Roswell, NM 88201		Dallas, Tx. 75244		Artesia, NM 88211		Artesia, NM 88211		Artesia, NM 88210

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 each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, 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.

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 18th day of June, 1993

Name of Transferor: MARBOB ENERGY CORPORATION
By: John R. Gray, President (Signature)
Attorney-in-fact: P.O. Drawer 217 (Signature)

Executed this 30th day of June, 1993

Name of Transferor: HANAGAN PETROLEUM CORPORATION
By: Hugh E. Hanagan, President (Signature)
Attorney-in-fact: (Signature)

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 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.



Notary Public
Must. Young

On this 18th day of June, 1993, personally appeared before me, a notary public, John R. Gray, President of Marbob Energy 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:

STATE OF NEW MEXICO
COUNTY OF EDDY

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)
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ss.

ACKNOWLEDGMENT



Notary Public
Hugh E. Hanagan

My commission expires: 8/12/93

On this 30th day of June, 1993, 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.

STATE OF NEW MEXICO
COUNTY OF CHAVES

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)
)
ss.

ACKNOWLEDGMENT



Notary Public

Booth O. Kline

My commission expires: 6-3-97

On this 9th day of June, 1993, 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.

STATE OF NEW MEXICO)
COUNTY OF EDDY)
SS.)

ACKNOWLEDGMENT

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BURDEN HOURS STATEMENT

Executed this 9th day of June, 1993. Name of Transferor: LOY FLETCHER. Please type or print: *Loy Fletcher*. By: *Loy Fletcher*. (Signature) (Signature) Attorney-in-fact or Transferee. (Signature) (Signature) Attorney-in-fact. (City) (State) (Zip Code) Artesia, NM 88211

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).

- 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 N.P.R.-A leases, transferee is a citizen, national, or resident alien of the United States or a municipality of such citizen, national, resident alien or private, public or municipal corporation; (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 each public domain and acquired lands separately in the name State, do not exceed 246,000 acres in oil and gas leases (or which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, 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 withholding Act); (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.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

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 transferees 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 N.P.R.-A leases, transferee is a citizen, national, or resident alien of the United States or a municipality 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 interest, direct and indirect, in each public domain and acquired lands separately in the name State, do not exceed 240,000 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 700,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, 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 withering Act); (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.
- Transferee's signature in 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.

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 10th day of June, 19 93

Executed this _____ day of _____, 19 _____

Name of Transferor: JAMES GUY
 Please type or print

By: [Signature]
 (Signature)

Transferee
 or
 Attorney-in-fact
 (Signature)

Transferee
 or
 Attorney-in-fact
 (Signature)

(Signature)

(Signature)

P.O. Box 100
 Artesia, NM
 88211
 (Zip Code)

(City) (State)

(State) (Zip Code)

BURDEN HOURS STATEMENT

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This 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 or to any matter within its jurisdiction.

U.S. GPO: 1990-513-016/26030

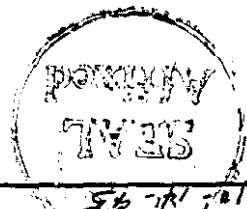
ACKNOWLEDGMENT

STATE OF NEW MEXICO)
 COUNTY OF EDDY)
 ss.)

On this 10th day of June, 1993, 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: 6-23-97

[Signature]
 Notary Public





My commission expires:

on behalf of said corporation.

Personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument, a notary public, Mark McLellan, a New Mexico corporation, xxxxx-President, on this 9th day of June, 1993, personally appeared before me,

STATE OF NEW MEXICO
COUNTY OF CHAVES

SS.)

ACKNOWLEDGMENT

FORM NO. 1001 (REV. 1990-07) 018/26020

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.

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BURDEN HOURS STATEMENT

Name of Transferor: MCELLEAN OIL CORPORATION
By: Mark McLellan, President
P.O. BOX 730
Roswell, NM 88202
(City) (State) (Zip Code)

Transferor (Signature)
or
Attorney-in-fact (Signature)
or
Transferee (Signature)
or
Attorney-in-fact (Signature)

Executed this 9th day of June, 1993

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).

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.

2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipal entity; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of N.P.R.-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 each public domain and acquired lands separately in the same State, do not exceed 240,000 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, 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 requirements (43 CFR (Group 3100 or 3200) and the witheringing 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.

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.



My commission expires:

On this 24th day of June, 1993, personally appeared before me, a notary public, Colin McMillan, 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.

Notary Public

[Signature]

STATE OF NEW MEXICO

COUNTY OF CHAVES

SS.

ACKNOWLEDGMENT

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

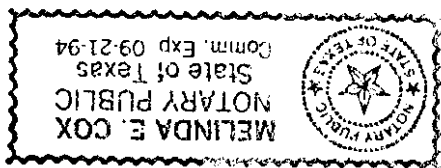
U.S. GPO: 1990-973-016/26030

Form fields for Name of Transferor (COLIN MCMILLAN), Address (118 W. First St., Roswell, NM 88201), and Signatures.

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.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL



My commission expires: 9/21/94

On this 30th day of June, 1993, personally appeared before me, a notary public, Kenneth Z. Scott, a Texas corporation, 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.

Melinda E. Cox
Notary Public

STATE OF TEXAS)
COUNTY OF DALLAS)
SS.)

ACKNOWLEDGMENT

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Title 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.

BURDEN HOURS STATEMENT

Executed this 30th day of June, 1993
Name of Transferor: RAILHEAD ENERGY PARTNERS, LTD.
Transferor By: Kenneth Z. Scott
Name of Transferee: RAILHEAD ENERGY PARTNERS, LTD.
P.O. Box 811666 802275
Dallas, TX 75244
75280
City (State) (Zip Code)

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).

- 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 N.P.R.-A leases, transferee is a citizen, national, or resident alien of the United States or a municipality of such citizen, national, resident alien 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 each public domain and acquired lands separately in the name State, do not exceed 240,000 acres in oil and gas leases for which up to 200,000 acres may be in oil and gas options; (d) Transferee is in compliance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (e) 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; (f) 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 (g) 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.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

BOOK 249 PAGE 503
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Managan Petroleum Corp
93 AUG -6 AMO:57

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. 146082

BOOK 249 PAGE 503

Notary Public
Robert Wynn



My commission expires: 11/19/95

On this 28th day of June, 1993, personally appeared before me, a notary public, *Robert Wynn*, a notary public, 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

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BURDEN HOURS STATEMENT

Executed this 28th day of June, 1993

Name of Transferor: YATES PETROLEUM CORPORATION

By: *Robert Wynn* (Signature)

Transferor or Attorney-in-fact: (Signature)

105 South Fourth St. (Address)

Artesia, NM (City)

88210 (Zip Code)

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 NP-A leases, transferee is a citizen, national, or resident alien of the United States or a citizen, national, or resident alien of the United States in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the name State, do not exceed 240,000 acres in oil and gas leases (or which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, 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 withholding 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.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL