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Page 1 of 10

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Book- 0453 Page- 0225



0208197

MARCH 6, 2007

ASSIGNMENT OF OIL AND GAS LEASE

BY AND BETWEEN:

LACY PROPERTIES, LTD. AND TRAIL MOUNTAIN, INC. "ASSIGNORS"

TO:

CRAIN ENERGY, LTD., BEDFORD SABINE, LC, ALLEGRO INVESTMENTS, INC., NEW GULF ENERGY, LLC, CAMTERRA RESOURCES PARTNERS, LTD., KCZC OIL & GAS, LTD., STEVE B. CARLILE, MICHAEL A. MERRIMAN, TRUSTEE, MARYBETH M. SOTOS, TRUSTEE, SCOS, INC., MAGNUM PRODUCING, LP, WINN EXPLORATION CO., INC., "ASSIGNEES"

DATED: FEBRUARY 1, 2007

LACY PROPERTIES, LTD.
222 EAST TYLER STREET
P.O. BOX 2146
LONGVIEW, TX. 75606

(903)758-8276

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF NEVADA §
 §
COUNTY OF EUREKA §

THIS ASSIGNMENT OF OIL AND GAS LEASE (this "Assignment"), dated effective November 1, 2006 (the "Effective Date"), is from Lacy Properties, Ltd., whose address is P.O. Box 2146, Longview, Texas 75606 and Trail Mountain, Inc., whose address is 105 South Fourth Street, Artesia, New Mexico 88210 ("Assignors") to Crain Energy, Ltd., whose address is P. O. Box 2146, Longview, TX 75606, Bedford Sabine, LC, whose address is P. O. Box 543, Longview, TX 75606, Allegro Investments, Inc., whose address is 1405 East Mockingbird Lane, Victoria, TX 77904-2142, New Gulf Energy, LLC, whose address is 4765 East 91st Street, Suite 250, Tulsa, OK 74137, Camterra Resources Partners, Ltd., whose address is P. O. Box 2069, Marshall, TX 75671, KCZC Oil & Gas, Ltd., whose address is P. O. Box 2069, Marshall, TX 75671, Steve B. Carlile, whose address is P. O. Box 2069, Marshall, TX 75671, Michael A. Merriman, Trustee of the Michael A. Merriman Trust dated 8/14/1997, FBO Michael A. Merriman, whose address is 300 West 11th Street, Kansas City, MO 64105, Marybeth M. Sotos, Trustee of the Marybeth M. Sotos Revocable Trust dated 7/21/1998, FBO Marybeth M. Sotos, whose address is 300 West 11th Street, Kansas City, MO 64105, SCOS, Inc., whose address is 300 West 11th Street, Kansas City, MO 64105, Magnum Producing, LP, whose address is 500 N. Shoreline Blvd., Suite 322, Corpus Christi, TX 78471, and Winn Exploration Co., Inc., whose address is 19th Floor North Tower, 800 North Shoreline, Corpus Christi, TX 78401-3700 ("Assignees");

WHEREAS, Assignors own all of the leasehold interest under those certain Oil and Gas Leases (the "Leases"), covering lands more particularly described therein (the "Lands") which Leases and Lands are described on Exhibit "A" attached hereto.

WHEREAS, Assignors desire to assign to Assignees, and Assignees agree to assume and accept, a partial leasehold interest under the Leases;

NOW, THEREFORE, for ten dollars and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, Assignors do hereby grant, convey, assign, and deliver unto each other and to Assignees, and Assignees' successors and assigns, the following right, title and interest in and to the Leases to be owned by Assignors and Assignees as follows:

Lacy Properties, Ltd.	5.957%
Trail Mountain, Inc.	14.000%
Crain Energy, Ltd.	19.043%
Bedford Sabine, LC	1.000%
Allegro Investments, Inc.	25.000%
New Gulf Energy, LLC	12.500%
Camterra Resources Partners, Ltd.	8.000%
KCZC Oil & Gas, Ltd.	1.500%
Steve B. Carlile	1.500%
Michael A. Merriman, Trustee	1.000%
Marybeth M. Sotos, Trustee	1.000%
SCOS, Inc.	1.000%
Magnum Producing, LP	3.750%
Winn Exploration Co., Inc.	<u>4.750%</u>
	100.000%

This Assignment shall be deemed to contain adequate words of grant, assignment, and conveyance necessary to assign and transfer the ownership of the undivided leasehold interests set opposite each party's name in accordance with the allocation set out above.

TO HAVE AND TO HOLD the Leases conveyed herein, and the appurtenant rights related thereto, unto Assignors and Assignees, their successors and assigns forever, though subject to the following terms and conditions:

1. THIS ASSIGNMENT IS MADE AND ACCEPTED WITHOUT WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WARRANTIES RELATING TO (i) TITLE TO THE LEASE, AND (ii) THE CONDITION OR MERCHANTABILITY OF THE PROPERTIES OR THE FITNESS OF THE PROPERTIES FOR A PARTICULAR PURPOSE OR PURPOSES.

2. From and after the Effective Date, Assignees assume and agree to comply with all covenants and obligations relating to or imposed upon the lessee in the Leases in proportion to the interest assigned herein.

3. The interest assigned herein shall bear and be subject to its proportionate share of all burdens affecting or against the Leases which are of record or known to Assignees as of the Effective Date of this Assignment. Specifically, this Assignment shall be subject to, and the parties hereto acknowledge that the Leases are burdened by a 2.5% overriding royalty interest held by Providence Petroleum, L.C.

4. Assignees shall bear and pay (i) all Federal, State or local government sales, documentation, transfer, gross proceeds or similar taxes incident to or caused by the transfer of the Leases to Assignees, and (ii) all filing, recording or registration fees for this Assignment. All ad valorem taxes, real property taxes, personal property taxes and similar obligations shall be apportioned based on ownership of the Leases as of the Effective Date between Assignors and Assignees.

5. Assignors and Assignees shall take all such further actions and execute such further documents that are reasonable and necessary to carry out the purposes of this Assignment and the intent of Assignors and Assignees evidenced herein.

6. This Assignment shall bind and inure to the benefit of Assignors and Assignees and their respective successors and assigns.

7. This Assignment is made expressly subject to the Participation Agreement dated June 1, 2006, by and between Lacy Properties, Ltd., et al, and Allegro Investments, Inc., et al, covering the Leases and Lands described herein.

8. This Assignment may be executed in one or more originals and/or counterparts, each of which counterpart shall be deemed an original, but all of which originals and/or counterparts together shall constitute one and the same conveyance. A separate assignment of the Leases, or parts thereof, may be executed on officially approved forms by Assignors to Assignees in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Such assignment shall be deemed to contain all of the exceptions, reservations, rights, titles, power and privileges set forth herein as fully as though they were set forth in each such assignment.

IN WITNESS WHEREOF, this instrument is executed as of this 15 day of February, 2007, but is made effective as of the Effective Date.



ASSIGNORS:

LACY PROPERTIES, LTD.

By: Lacy Property Management, Inc.,
Its General Partner

By: Neal A. Hawthorn
Neal A. Hawthorn, Vice President

TRAIL MOUNTAIN, INC.

By: Randy Patterson
Randy Patterson, Vice President

ASSIGNEES:

CRAIN ENERGY, LTD.

By: Crain Oil & Gas, LLC, General Partner

By: Neal A. Hawthorn
Neal A. Hawthorn, Vice President

BEDFORD SABINE, L.C.

By: Neal A. Hawthorn
Neal A. Hawthorn, Managing Partner

ALLEGRO INVESTMENTS, INC.

By: John C. Thompson
John C. Thompson, President

NEW GULF ENERGY, LLC

By: Tracy A. Poole
Tracy A. Poole, Vice President

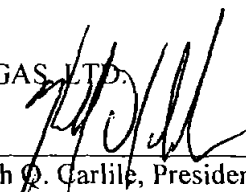
CAMTERRA RESOURCES PARTNERS, LTD.

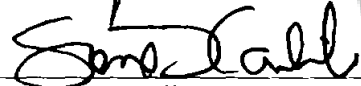
By: Camterra Resources, Inc.,
Its Managing General Partner

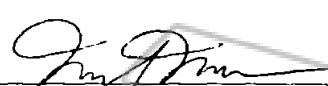
By: Paul Marchand
Paul Marchand, President

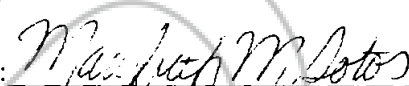


KCZC OIL & GAS, LTD.

By: 
Kenneth Q. Carlile, President

By: 
Steve B. Carlile

By: 
Michael A. Merriman, Trustee
of the Michael A. Merriman Trust
dated 8/14/1997
FBO Michael A. Merriman

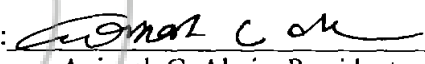
By: 
Marybeth M. Sotos, Trustee
of the Marybeth M. Sotos Revocable Trust
dated 7/21/1998
FBO Marybeth M. Sotos

SCOS, INC.

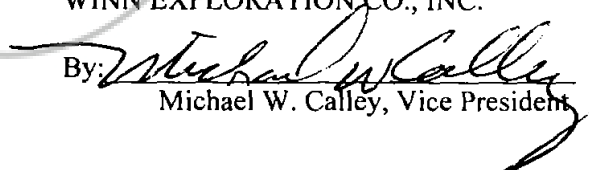
By: 
Michael A. Merriman, President

MAGNUM PRODUCING, L.P.

By: Magnum Oil & Gas, Inc., General Partner

By: 
Avinash C. Ahuja, President

WINN EXPLORATION CO., INC.

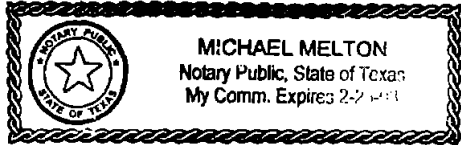
By: 
Michael W. Calley, Vice President



ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF GREGG §

This instrument was acknowledged before me on this 1st day of February, 2007 by Neal A. Hawthorn, Vice President of Lacy Property Management, Inc., General Partner for Lacy Properties, Ltd., a Texas Limited Partnership.

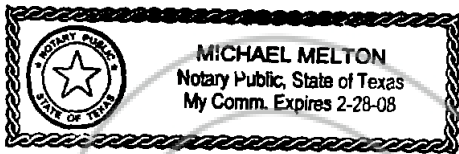


Michael Melton
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 1st day of February, 2007, by Randy Patterson, Vice President of Trail Mountain, Inc.

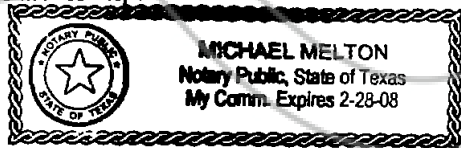
A.
G.



Michael Melton
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF GREGG §

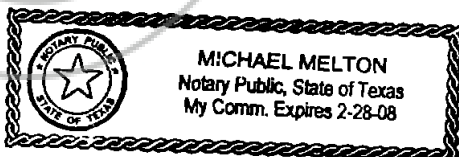
This instrument was acknowledged before me on this 1st day of February, 2007 by Neal A. Hawthorn, Vice President of Crain Oil & Gas, LLC, General Partner for Crain Energy, Ltd., a Texas Limited Partnership.



Michael Melton
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF GREGG §

This instrument was acknowledged before me on this 1st day of February, 2007 by Neal A. Hawthorn, Managing Partner of Bedford Sabine, L.C., a Texas Limited Liability Company.



Michael Melton
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF VICTORIA §

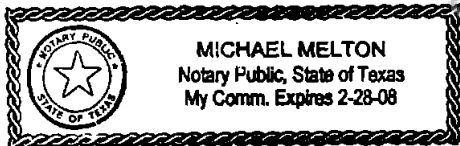
The foregoing instrument was acknowledged before me this 9th day of February, 2007, by John C. Thompson, President of Allegro Investments, Inc.



Ruth Krause
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 1st day of February, 2007, by Tracy A. Poole, Vice President of New Gulf Energy, LLC.



Michael Melton
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF HARRISON §

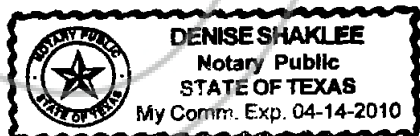
The foregoing instrument was acknowledged before me this 14th day of February, 2007, by Paul Marchand, Vice President of Camterra Resources, Inc., Managing General Partner of Camterra Resources Partners, Ltd.



Vickie Hester
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF Harrison §

The foregoing instrument was acknowledged before me this 13 day of February, 2007, by Kenneth Q. Carlile, President of KCZC Oil & Gas, Ltd.



Denise Shaklee
Notary Public, State of Texas



STATE OF TEXAS §
COUNTY OF Harrison §

The foregoing instrument was acknowledged before me this 15 day of February, 2007, by Steve B. Carlile.

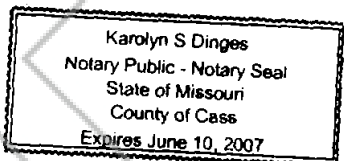
Linda Harlin
Notary Public, State of Texas



STATE OF MISSOURI §
COUNTY OF Jackson §

The foregoing instrument was acknowledged before me this 1st day of ~~February~~ March, 2007, by Michael A. Merriman, Trustee of the Michael A. Merriman Trust dated 8/14/1997, FBO Michael A. Merriman.

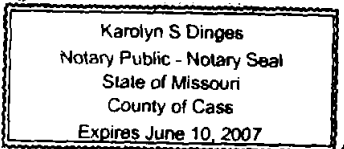
Karolyn S Dinges
Notary Public, State of Missouri



STATE OF MISSOURI §
COUNTY OF Jackson §

The foregoing instrument was acknowledged before me this 1st day of ~~February~~ March, 2007, by Marybeth M. Sotos, Trustee of the Marybeth M. Sotos Revocable Trust dated 7/21/1998, FBO Marybeth M. Sotos.

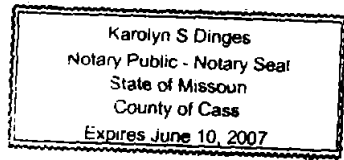
Karolyn S Dinges
Notary Public, State of Missouri



STATE OF MISSOURI §
COUNTY OF Jackson §

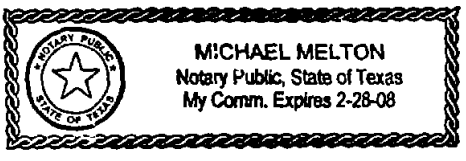
The foregoing instrument was acknowledged before me this 1st day of ~~February~~ March, 2007, by Michael A. Merriman, President of SCOS, Inc.

Karolyn S Dinges
Notary Public, State of Missouri



STATE OF TEXAS §
 §
COUNTY OF HARRIS §

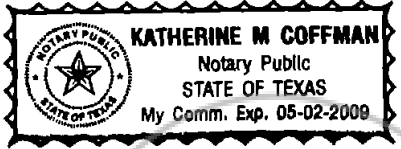
The foregoing instrument was acknowledged before me this 2nd day of February, 2007, by Avinash C. Ahuja, President of Magnum Oil & Gas, Inc., General Partner of Magnum Producing, L.P.



Michael Melton
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF Nueces §

The foregoing instrument was acknowledged before me this 7th day of February, 2007, by Michael W. Calley, Vice President of Winn Exploration Company, Inc.



Katherine M. Coffman
Notary Public, State of Texas

EXHIBIT "A"

<u>Lease No.</u>	<u>Lessor</u>	<u>Lessee</u>	<u>BLM Serial No.</u>	<u>EFFECTIVE DATE</u>	<u>Lands</u>
NV-3853-1	United States of America	Lacy Properties, Ltd.	N-77947	Feb. 1, 2004	T31N, R50E, MDM Sec. 14: All; Sec. 24: All; Sec. 26: All; Sec. 36: Lots 1-12, N2.
NV-3853-2	United States of America	Lacy Properties, Ltd.	N-77881	Apr. 1, 2004	T31N, R51E, MDM Sec. 15: N2NW; Sec. 16: All; Sec. 21: SWNE, W2NW, SENE, N2SW, SWSW, NWSE; Sec. 22: All.
NV-3853-3	United States of America	Lacy Operations, Ltd.	N-77882	Apr. 1, 2004	T31N, R51E, MDM Sec. 17: N2NE, SWNE, NW, N2SW, SE; Sec. 18: Lots 1-4, E2; Sec. 20: All.
NV-3853-4	United States of America	Lacy Operations, Ltd.	N-77883	Apr. 1, 2004	T31N, R51E, MDM Sec. 29: W2NE, E2NW, NWSE; Sec. 30: Lots 1-4, E2; Sec. 32: Lots 1-20, S2.
NV-3853-5	United States of America	Lacy Properties, Ltd.	N-77884	Apr. 1, 2004	T31N, R51E, MDM Sec. 28: All; Sec. 34: Lots 1-20, S2.
NV-3853-7	United States of America	Lacy Properties, Ltd.	N-82569	Nov. 1, 2006	T31N, R51E, MDM Sec. 10: Lot 1, W2NE, SENE, W2, SE; Sec. 11: SWSW; Sec. 12: Lots 1-4, NE, S2NW, SW, N2SE; Sec. 14: All.
NV-3853-8	United States of America	Lacy Properties, Ltd.	N-82570	Nov. 1, 2006	T31N, R51E, MDM Sec. 24: All; Sec. 26: All.
NV-3853-6	Black Stone Minerals, L.P.	Lacy Properties, Ltd.	RECORDED V393/P072 Amended V438/P041	Aug. 6, 2004	T30N, R51E, MDM Sec. 3: All. T31N, R50E, MDM Sec. 13: All; Sec. 23: All; Sec. 25: All; Sec. 35: All. T31N, R51E, MDM Sec. 15: NE, S2NW, S2; Sec. 17: SENE, S2SW; Sec. 19: Lots 1-4, E2 (All); Sec. 21: E2E2, NWNE, NENW, SESW, SWSE; Sec. 23: W2; Sec. 27: All; Sec. 29: E2E2, W2NW, SW, SWSE; Sec. 31: All; Sec. 33: All; Sec. 35: Lots 3-6.