

Lincoln County

Form 3106-5
(February 1981)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ASSIGNMENT AFFECTING RECORD TITLE
TO OIL AND GAS LEASE

FORM APPROVED
OMB NO. 1004-0034

Lease Serial No.
N 32789
Lease effective date
August 1, 1981
FOR BLM OFFICE USE ONLY
New Serial No.

PART I

1. Assignee's Name

Texas Oil & Gas Corp.

Address (include zip code)

Fidelity Union Tower, Dallas, Texas 75201
1900 Lincoln Center Bldg., Denver, Colorado 80264

RECEIVED
Bureau of Land Management
OCT 8 1981
NEVADA STATE OFFICE

The undersigned, as owner of 100 percent of the record title of the above designated oil and gas lease, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment

Assignment approved as to lands described below

Section 4: ALL; Lincoln County,
Section 5: ALL; Nevada
Section 6: ALL;
Section 7: ALL;
Section 8: ALL; T33N R69E
Section 9: ALL;
Section 16: ALL;
Section 17: ALL;
Section 18: ALL;
Section 19: ALL;
Section 20: ALL;
Section 29: ALL;
Section 30: ALL;
Section 31: ALL;
Section 32: ALL.

SAME AS ITEM 2

Return To:
TXO PRODUCTION CORP.
Fidelity Union Tower
Dallas, Texas 75201

Total Area 9593. Acres

3. Specify interest or percent of assignor's record title interest being conveyed to assignee

100%

4. Specify interest or percent of record title interest being retained by assignor, if any

-0-

5. Specify overriding royalty being reserved by assignor

2%

6. Specify overriding royalty previously reserved or conveyed, if any

-0-

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

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

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

Executed this **30th** day of **July**, 19**81**.

[Signature]
(Assignor's Signature)

P.O. Box 141

(Assignor's Address)

[Signature]
(Assignor's Signature)

Midland, Texas 79702

(City) (State) (Zip Code)

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

THE UNITED STATES OF AMERICA

Assignment approved effective

NOV 01 1981

By *[Signature]*
(Authorized Officer)

25528

Acting Chief, Branch of Lands & Minerals Operations

OCT 20 1981

(Title)

BC:W

47 PAGE 3119

(Date) 781-7031

55015-000

PART II

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

1. Assignee is over the age of majority
2. Assignee is a citizen of the United States
3. Assignee is Individual Municipality Association Corporation. If other than an individual, assignee's statement of its qualifications are attached. If previously furnished, identify the serial number of the record in which filed NM-43000
4. Assignee's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options or 246,000 chargeable acres in options and leases in the same State, or 300,000 chargeable acres in leases and options in each leasing District in Alaska.
5. Assignee is is not the sole party in interest in this assignment. Information as to interests of other parties in this assignment must be furnished as provided in the regulations (43 CFR 3106).
6. A filing fee of \$25.00 is attached.

B. ASSIGNEE AGREES That, upon approval of this assignment by the authorized officer of the Bureau of Land Management, he will be bound by the terms and conditions of the lease described herein as to the lands covered by this assignment, including, but not limited to, the obligation to pay all rentals and royalties due and accruing under said lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any drilling operations as prescribed in the lease, and to furnish and maintain such bond as may be required by the lessor to assure compliance with the terms and conditions of the lease and the applicable regulations.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 25 day of September, 1981.

Attest:

Philip A. Davenport
(Assignee's Signature)

Philip A. Davenport Assistant Secretary

A. D. Carter, Jr.
(Assignee's Address)

A. D. Carter, Jr., Senior Vice-President
Fidelity Union Tower
Dallas, Texas 75201

(City) (State) (Zip Code)

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INSTRUCTIONS

- | | |
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| <ol style="list-style-type: none"> 1. <i>Use of Form</i> - Use only for assignment of record title interest in oil and gas leases. If more than one assignment is made out of a lease, a separate instrument of transfer is required for each assignment. 2. <i>Filing and Number of Copies</i> - File three (3) completed and manually signed copies in the appropriate BLM office. A \$25.00 nonrefundable filing fee must accompany the assignment. File assignment within ninety (90) days after date of final execution. 3. <i>Effective Date of Assignment</i> - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers. Assignee's qualifications must be in full compliance with the regulations (43 CFR 3102). If bond is necessary, it must be furnished prior to approval of the assignment. 4. <i>Statement of Interest of Other Parties</i> - If assignee is not the sole party in interest in the assignment, assignee must | <p>submit, at the time assignment is filed, a signed statement giving the names of any other parties who will have an interest in the lease. Within fifteen (15) days after the filing of the assignment, the assignee and all such other interested parties must submit, together with evidence of their qualifications to hold the lease interest, separate, signed statements giving the nature and extent of the interest of each, the nature of agreement between them, if oral; and a copy of the agreement, if written.</p> <ol style="list-style-type: none"> 5. <i>Effect of Assignment</i> - Approval of assignment of a definitely described portion of the leased lands creates separate leases of the retained and the assigned portions. It does not change the terms and conditions of the lease or the lease anniversary date for purposes of payment of annual rental. 6. A copy of the lease out of which this assignment is made should be obtained from the assignor. |
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NOTICE

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

AUTHORITY: 30 U.S.C. 181 et. seq.

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

ROUTINE USES:

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

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

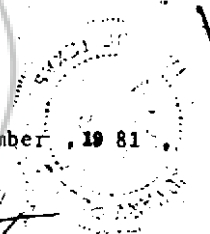
STATE OF TEXAS
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 21st day of September, 1981

by C. L. Milburn, Paul W. Rutter

My Commission Expires: 11 6 84

[Signature]
Notary Public



STATE OF TEXAS
COUNTY OF DALLAS

Before me, a notary public, on this 25th day of September, 1981, personally appeared A. D. Carter, Jr., Senior Vice-President of TEXAS OIL & GAS CORP. to me known to be the identical person who executed the within and foregoing lease, and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

BILLY BLERRY
Notary Public in and for
Dallas County, Texas

My Commission Expires 4/13/85

[Signature]

My Commission Expires 4/13/85

73964

FILED AND RECORDED AT REQUEST OF

TXO PROD. CORP.

NOV. 19, 1981

AT 30 MINUTES PAST 3 O'CLOCK

P. M. IN ASSEMBLY OF THE COUNTY CLERK

OF THE COUNTY OF DALLAS, TEXAS

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND SEAL OF OFFICE

SHARON SETZEN
[Signature]
County Clerk