

CONDITIONAL ASSIGNMENT OF OIL, GAS AND MINERAL LEASES

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS, THAT:

COUNTY OF DeWITT §

TANA OIL AND GAS CORPORATION, hereinafter referred to as "Assignor", for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by WILLIAM E. COLSON, hereinafter referred to as "Assignee", the receipt and sufficiency of which are hereby acknowledged, has GRANTED, BARGAINED, SOLD, TRANSFERRED, and ASSIGNED, and by these presents does hereby GRANT, BARGAIN, SELL, TRANSFER, and ASSIGN unto the said Assignee, his heirs, successors and assigns, a twelve and one-half percent (12.5%) working interest in a seventy-two percent (72%) net revenue interest lease as to that certain Oil and Gas Lease described on Exhibit "A" attached hereto and made a part hereof.

With respect to Exhibit "B" attached hereto and made a part hereof, Assignor does hereby GRANT, BARGAIN, SELL and ASSIGN unto said Assignee, a twelve and one-half percent (12.5%) working interest in a seventy-four percent (74%) net revenue interest lease as that lease is described on Exhibit "B" attached hereto and made a part hereof. Assignor reserves unto itself and its assigns an overriding royalty interest equal to the difference between twenty-six percent (26%) of the entire oil, gas and mineral estate and the total royalty and overriding royalty ownership presently burdening Assignor's ownership. In the event the Oil, Gas and Mineral Lease described on Exhibit "B" covers less than the entire undivided oil, gas and mineral fee estate in the lands described therein, the overriding royalty interest reserved hereby shall be proportionately reduced in the subject lease.

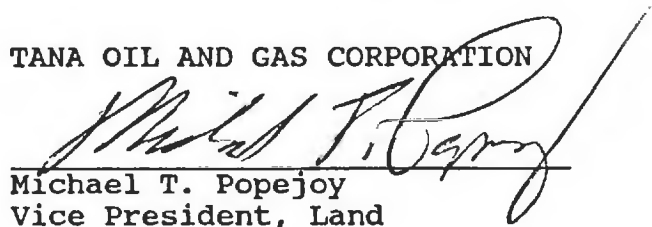
This Assignment is made by Assignor and accepted by Assignee expressly subject to that certain Letter Agreement dated April 12, 1989, between William E. Colson and Tana Oil and Gas Corporation.

TO HAVE AND TO HOLD the above-described leaseholds unto the said Assignee, his heirs, successors and assigns, in accordance with the terms of said leases and in accordance with the terms of this Assignment; and, Assignor, for itself and its successors and assigns, does hereby warrant and agree to defend the title to the leaseholds conveyed herein unto the said Assignee, his heirs, successors and assigns, against all persons whomsoever lawfully claiming, or to claim, the same, or any part thereof, by, through, or under it, but not otherwise.

IN TESTIMONY WHEREOF, this instrument is executed this the
6th day of June, 1990.

TANA OIL AND GAS CORPORATION

By:


Michael T. Popejoy
Vice President, Land