

Q 11967

GULFSTAR
PETROLEUM COMPANY

1212 MAIN STREET SUITE 800 · HOUSTON, TEXAS 77002 · 713/655-9666

September 6, 1990

Re: Federal Lease OCS-G 11967
Block 52, Ship Shoal Area

United States Department of the Interior
Minerals Management Service
Adjudication Unit, LE-3-1
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

RECEIVED

SEP 10 1990

Attention: Ms. LaNel . . . ehm

Minerals Management Service
Leasing & Environment

Gentlemen:

Enclosed for filing purposes only, is the following document affecting the above lease:

Assignment of Overriding Royalty Interest dated August 17, 1990, from Ginger Oil Company, Assignor, to Gulfstar Petroleum Company, Assignee.

The filing fee of \$25.00 for this assignment is covered by the enclosed Gulfstar check No. 0003552.

Please place one original of this Assignment of Overriding Royalty Interest in the above lease file, and acknowledge the filing thereof by date stamping two originals of the assignment and two (2) copies of this letter and returning them to the undersigned.

Very truly yours,

GULFSTAR PETROLEUM COMPANY

Peggy Flanagan
Peggy Flanagan
Consulting Landman

enclosures

THE UNITED STATES OF AMERICA X
OUTER CONTINENTAL SHELF X
OFFSHORE LOUISIANA X

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Minerals Management Service
Leasing & Environment

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

KNOW ALL MEN BY THESE PRESENTS, that GINGER OIL COMPANY, a Texas corporation whose address is 2 Wild Ginger Court, The Woodlands, Texas 77380 (herein called "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby TRANSFER, ASSIGN, SET OVER and CONVEY unto GULFSTAR PETROLEUM COMPANY, a Texas general partnership herein represented by Gulfstar Petroleum Corporation, its Managing General Partner, whose address is 1212 Main Street, Suite 310, Houston, Texas 77002, an overriding royalty interest of two percent of six-sixths (2% of 6/6) (herein called the "Assigned Interest") in and to all oil, gas and other minerals produced, saved and marketed pursuant to the terms and provisions of the following oil and gas lease:

Oil and Gas Lease bearing Serial Number OCS-G 11976, between the United States of America, Lessor, and Ginger Oil Company, Lessee, covering all of Block 52, Ship Shoal Area, OCS Leasing Map, Louisiana Map No. 5, containing 5,000 acres more or less,

which lease and the lands covered thereby are hereinafter called the "Lease".

This Assignment is made by Assignor and accepted by Assignee, and the Assigned Interest shall be owned by Assignee, subject to the following terms and provisions:

1. The Assigned Interest shall be free and clear of all drilling, development and operating costs and expenses; however, Assignee shall bear and pay currently all taxes of every nature whatever which may now or hereafter be applicable to or in any manner connected with, or a lien upon, the Assigned Interest or on the production therefrom, including, but without limitation, all production, severance, gathering and transportation taxes attributable to the Assigned Interest.

2. The Assigned Interest shall be calculated and paid to Assignee in the same manner as the royalty paid to lessor under the terms of the lease.

3. Assignor shall have and hereby retains the right and power, exercisable at Assignor's sole discretion, to pool or unitize the Assigned Interest, in the same manner and to the same extent as and when the Lease is pooled or unitized.

4. It is expressly agreed and understood that Assignor shall be under no obligation to maintain the Lease in force and effect by the payment of delay rental, minimum royalty or other payment, or by drilling or reworking operations or production, and the Assigned Interest shall be paid to Assignee only if, as and when oil, gas or other minerals are produced, saved and marketed under and by virtue of the Lease.

All of the provisions hereof shall be deemed to be covenants running with the Lease and shall extend to and bind the successors and assigns of the parties hereto.

This Assignment is made without warranty of any kind, either express or implied, but with full rights of substitution and subrogation of Assignor's rights in warranty.

EXECUTED this 17th day of August, 1990,
but to be effective as of June 1, 1990.

WITNESSES:

Gene Jeter
Donald R. Harvey

Gene Jeter
Donald R. Harvey

ASSIGNOR:

GINGER OIL COMPANY

By William D. Neville
William D. Neville
President

ASSIGNEE:

GULFSTAR PETROLEUM COMPANY

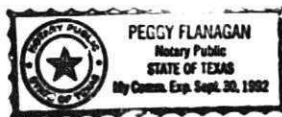
By: Gulfstar Petroleum Corporation,
its Managing General Partner

By Michael L. Harvey
Michael L. Harvey
President

STATE OF TEXAS X
COUNTY OF HARRIS X

On his 17th day of August, 1990, before me appeared WILLIAM D. NEVILLE, to me personally known, who, being by me duly sworn, did say that he is the President of GINGER OIL COMPANY, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said WILLIAM D. NEVILLE acknowledged said instrument to be the free act and deed of said corporation.

Peggy Flanagan
Notary Public - State of Texas



STATE OF TEXAS X
COUNTY OF HARRIS X

On this 17th day of August, 1990, before me appeared MICHAEL L. HARVEY, to me personally known, who, being by me duly sworn, did say that he is President of Gulfstar Petroleum Corporation, Managing General Partner of GULFSTAR PETROLEUM COMPANY, a Texas general partnership, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors on behalf of the partnership, and the said MICHAEL L. HARVEY acknowledged said instrument to be the free act and deed of said partnership.

Peggy Flanagan
Notary Public - State of Texas

