

QUESTAR OIL AND GAS COMPANY
4510 MCorp Plaza, 333 Clay Street
Houston, Texas 77002
(713) 951-9244

John R. Gregg
President

Jack D. Downing
Vice President

Billy H. Stobaugh, Jr.
Vice President

RECEIVED

May 10, 1990

JUN 1 1990

Minerals Management Service
Leasing & Environment

Minerals Management Service
Attention: L E-3-1 (Boehm)
1201 Elmwood Park Blvd
New Orleans, LA 70123-2204

RE: OCS-G-11983
Ship Shoal, Block 148
Offshore Gulf of Mexico
Assignment of Overriding Royalty

Gentlemen:

Herewith for filing in the official record for OCS-G-11983 is an assignment of overriding royalty whereby First Energy Corporation conveys a two percent (2%) override to various assignees as to First Energy's interest in the referenced lease.

Our check # 1854, payable to Minerals Management Service in the amount of \$25.00 is enclosed to cover the required filing fee. A xerox copy of said assignment is enclosed for return to us after notation is made as to receipt for filing.

We intend to also record this assignment in the Public Records for Terrebonne Parish, Louisiana. Recording references will be furnished if you desire.

Please advise if additional information is desired.

Yours very truly,

QUESTAR OIL AND GAS COMPANY



John R. Gregg
President

JRG:pd

Enclosures

ASSIGNMENT OF OVERRIDING ROYALTY

THE UNITED STATES OF AMERICA)
) KNOW ALL MEN BY THESE PRESENTS: THAT
 OUTER CONTINENTAL SHELF)

IN CONSIDERATION of the sum of One Hundred and no/100 Dollars (\$100.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, First Energy Corporation, hereinafter referred to as "Assignor", does hereby assign, transfer, sell and convey unto the hereinafter named parties as Assignees, an Overriding Royalty Interest of two percent of eight-eighths (2% of 8/8ths) of all of the Oil, Gas and other hydrocarbons, and all other minerals produced, saved and sold, if as and when produced, saved and sold, but not otherwise, from the land set out in and covered by Oil and Gas Lease described as follows:

Oil and Gas Lease bearing Serial No. OCS-G 11983, effective May 1, 1990, by and between the United States of America, as Lessor, and Sun Operating Limited Partnership and First Energy Corporation, as Lessees, covering all of Block 146, East Ship Shoal Area, OCS Leasing Map, Louisiana Map No. 5.

The Overriding Royalty herein conveyed is conveyed to the individual assignees as follows:

<u>ASSIGNEE</u>	<u>INTEREST</u>
Hamilton Brothers Oil Company 1560 Broadway, Suite 2000 P.O. Box 5870 Denver, CO 80217	3/15 of 2.0% of 8/8ths
John R. Gregg P.O. Box 1463 Forsyth, MO 65653	4/15 of 2.0% of 8/8ths
Billy H. Stobaugh, Jr. 17115 Windypine Drive Spring, TX 77379	4/15 of 2.0% of 8/8ths
Jack D. Downing 8219 Forest Ridge Road Spring, TX 77379	4/15 of 2.0% of 8/8ths
TOTAL	15/15 of 2.0% of 8/8ths

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Said Overriding Royalty Interest shall be computed in the same manner as the lessors royalty is computed, and shall be free of all development, production, marketing and operating expense; however, said interest shall bear and pay currently its proportionate share of gross

production taxes, severance, windfall profits taxes and all other taxes assessed against the gross production subject to said Overriding Royalty Interest. It is agreed that nothing herein contained shall impose upon the Assignors, their heirs, successors or assigns, any duty or obligations to develop or operate the properties covered by the above described Oil and Gas Lease, nor to maintain said Oil and Gas Lease in effect by the payment of Delay Rentals.

In the event Assignor's total interest in the Oil and Gas Lease, other hydrocarbons, and all other minerals in the land set out in and covered by the above described Oil and Gas Lease is less than the entire leasehold estate, than the fractional interest hereinabove assigned as an Overriding Royalty Interest shall be reduced proportionately so as to accord with the total fractional interest in the Oil, Gas and other hydrocarbons, and all other minerals actually owned by the Assignor.

This Assignment of Overriding Royalty is made without Warranty of Title either express or implied. The provisions hereof shall bind and benefit the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF this instrument is executed on the 9th day of May, 1990, but shall be effective as of May 1, 1990.

WITNESSES:

FIRST ENERGY CORPORATION

[Signature]
[Signature]

[Signature]
A. B. Hornbeak
Vice President, Land

STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared A.B. Hornbeak known to me to be the person whose name is subscribed to the foregoing instrument, as Vice President-Land of First Energy Corporation and acknowledged to me that he executed the same for purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this, the 9th day of May, 1990.

MY COMMISSION EXPIRES:
11-24-90

[Signature]
Notary Public in and for the
STATE OF TEXAS

