

MERIDIAN OIL INC.
TRANSFER ORDER

MARTINEZ 1

TO: MERIDIAN OIL
ATTN: LAND DEPARTMENT
SUITE 200
801 CHERRY STREET
FORT WORTH, TEXAS 76102-6807

Date: May 31, 19 91

The undersigned transferor (whether one or more) has transferred by instrument dated April 18, 19 91, recorded in Volume 167, Page 123 of the Deed of Records of Rio Arriba County, New Mexico, an interest in the oil produced from and in the proceeds derived from the sale of gas produced from wells listed below and the following described tracts of land or allocated pursuant to any Unit Agreement, Communitization Agreement, or Pooling Designation to the following described tracts of land in Rio Arriba County, New Mexico:

See Schedule "A" Attached Hereto and Made a Part Hereof.

and hereby authorizes you, effective 05-01-91 and thereafter until you are furnished with an instrument in writing evidencing a change in the ownership of the interest described below, to give credit for oil produced from and in the proceeds derived from the sale of gas produced from wells now or hereafter completed on the acreage described above in the manner and proportions shown below. The word "oil" as used herein is hereby declared to include condensate, and all other liquid hydrocarbons produced hereunder, and the word "gas" as used herein is hereby declared to include all gaseous substances, including casinghead gas.

CREDIT TO TRANSFEREE

INTEREST TRANSFERRED

Joseph A. Sommer Revocable Trust,
Under Trust Agreement Dated November 10, 1987
Joseph A. Sommer, Trustee
P.O. Box 1984
Santa Fe, New Mexico 87504

100% x all those
properties listed on the
attached Schedule "A"

SS#: (please provide)

RPD 021415

WITNESSES
(Sign below)

TRANSFERORS
(Sign below)

Joseph A. Sommer

Joseph A. Sommer

Each of the undersigned (hereby termed "Transferee"), whether one or more, certifies and guarantees that, as of the effective date of this order, he is the legal owner of the interest hereinabove specified opposite his name and hereby warrants the title to such interest and represents that he is entitled to payment for oil and gas produced from the well or wells on the property described above in the proportions above set out. You are therefore hereby authorized until further written notice from you or us to give credit for all proceeds derived from the oil and gas produced and sold from the acreage described above and make payment therefor in the proportion set out above, subject to and in accordance with the following terms and conditions:

FIRST - Until further written notice from you or us, you are hereby authorized to receive such oil into your custody or that of any carrier or purchaser designated by you, the oil so received to be run and measured in accordance with customary rules and regulations including those of the governmental agency having jurisdiction over or control of the production and handling of such oil.

SECOND - Each of the undersigned agrees that the settlement price for oil shall be a price equal to the net per barrel price received by you for your share of the same production from the lands described above in the same field on the date said production is received by you, after deducting any and all charges for gathering, transporting, treating and any other amounts charged by the pipeline carrier or purchaser for the above listed reasons or any others, including shrinkage.

THIRD - For proceeds derived from the sale of gas produced, settlements shall be based on the net sales prices received by you at the well. If the gas is processed, settlements shall be based on the net value or net proceeds provided in the agreement between you and the processor of its gas.

FOURTH - Settlement shall be made monthly for production received and purchased by you by mailing or delivering, on or before the last day of each month to the party entitled thereto, a bank check or draft for the amount due for the next preceding month, provided, however, that you are authorized to withhold payment due any individual payee until at least Twenty-five Dollars (\$25.00) has accumulated to the credit of said payee. For payments received by you, settlement shall be made by mailing or delivering within 30 days after payment is received by you, to the party entitled thereto, a bank check or draft in the amount due for the next preceding month, provided, however, that you are authorized to withhold payment due any individual until at least Twenty-five Dollars (\$25.00) has accumulated to the credit of said payee.

FIFTH - In the event of any adverse claim or dispute arising at any time concerning title to said land or to the oil produced or net proceeds derived from the sale of gas produced therefrom, you are authorized to withhold, to the extent which you in good faith deem necessary for your protection, the proceeds accruing hereunder, without interest and without liability (except as a stakeholder), until indemnity satisfactory to you has been furnished or until such dispute or claim has been settled to your satisfaction. Each undersigned party, as to the interest of such party hereunder, respectively agrees, in the event suit is filed in any court affecting title to said oil or net proceeds derived from the sale of gas produced either before or after severance, to indemnify and save you harmless against any and all liability for loss, cost, damage, and expense which you may suffer or incur on account of receiving and paying said party the proceeds derived from the sale of oil or gas.

SIXTH - You are hereby relieved of any responsibility for determining when any interest herein set forth has been increased, decreased, terminated or transferred and the undersigned severally agree to notify you of any such change or change of ownership, and no transfer of interest shall be binding upon you until a proper transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfer or changes of interest shall be made effective not earlier than the first day of the calendar month following receipt of such notice by you. You are hereby relieved of any responsibility for determining if and when any of the interest hereinabove set forth shall or should revert to be owned by other parties as a result of the completion or discharge of money or other payments from said interest, and the signers hereof whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered letter addressed to MERIDIAN OIL INC., ATTN: LAND DEPARTMENT, Suite 200, 801 Cherry St., Fort Worth, Texas 76102-6807, when any such money or other payments have been completed or discharged, or when any other division of interest than that set out above shall for any reason, become effective and to furnish transfer orders accordingly, and that, in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from, any and all damage or loss which might arise out of any overpayment.

SEVENTH - As a matter of accommodation to us, you may deduct and pay to the proper taxing authorities, the taxes required by law to be paid applicable to the respective interest of the undersigned in the oil or gas or the proceeds derived from the sale of oil and gas produced from said lands.

EIGHTH - This order shall become valid and binding on each of us as soon as signed, regardless of whether or not all of us or any other party have so signed and shall bind, and inure to the benefit of the heirs, legal representatives, successors and assigns of you and us.

NINTH - In the event all or any portion of the said lands or any portion of the said lands or any formation underlying same be included in one or more units now or hereafter formed or revised by order of any appropriate governmental authority or in one or more duly authorized voluntary units now or hereafter formed or revised, it is agreed that this Transfer Order shall be subject to such unit or units so formed and revised and that settlements shall be made in accordance with the production allocated to said lands or formation without requiring the execution of additional division orders. We hereby ratify and confirm any unit and any oil and gas and/or oil, gas and mineral lease from, to or which the interest of the undersigned arises.

TENTH - All notices or payments to be made to us shall be made at the addresses shown herein unless changed by prior written notice from us to you at your address shown herein.

In order for Meridian to remit payment to you in accordance with Federal Regulations, it is imperative that you insert your _____ by your signature.

TRANSFEREES
(Sign below)

