

ENERGEN

RESOURCES

2198 Bloomfield Highway
Farmington, New Mexico 87401
(505) 325-6800
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Total number of pages (including cover page) 10

TO: OIL CONSERVATION DIVISION 334-6170
ATTN: FRANK CHAVEZ
FROM: RICH COCCORAN
DATE: 7-20-00

COVER MESSAGE: ATTACHED IS A COPY OF AN ASSIGNMENT OF OPERATING RIGHTS ON A BLM FORM ALONG WITH AN ASSIGNMENT & BILL OF SALE FROM BURLINGTON RESOURCES TO TAURUS EXPLORATION USA (NOW ENERGEN) CONVEYING ALL THEIR OIL & GAS RIGHTS IN THE W/2 OF SEC 17-T27N-R10W AS TO THE TRUITLAND COAL FORMATION (AMONG OTHER FORMS)

If there are errors in transmission, please contact Vicki Donaghey at (505) 325-6800.

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The Transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or association of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interest, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance to all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, and obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3154, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 20th day of March, 1997

Executed this 25th day of April, 1997

But effective January 1, 1997

Name of Transferor BURLINGTON RESOURCES OIL & GAS COMPANY

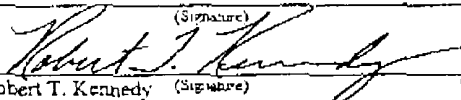
TAURUS EXPLORATION U.S.A., INC.

(Please type or print)

Transferor

Transferee

or
Attorney-in-fact


Robert T. Kennedy (Signature)

or
Attorney-in-fact


K. J. CLAYTON (Signature)

POST OFFICE BOX 4289

(Transferor's Address)

FARMINGTON, NEW MEXICO 87499

(City)

(State)

(Zip Code)

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 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.

Form 3000-3a
(October 1992)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM 217

FORM APPROVED
OMB NO. 1004-0034
Expires: July 31, 1995TRANSFER OF OPERATING RIGHTS (SUB LEASE) IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCESMineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)Lease Serial No.
SF-077875

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)* TAURUS EXPLORATION U.S.A., INC.
Street 2101 Sixth Avenue North
City, State, ZIP Code Birmingham, Alabama 35203*If more than one transferee, check here ☐ and list the name(s) and address(es) of all additional transferees on the reverse of this form or on a separate attached sheet of paper.This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal LeaseInterest conveyed: (Check one or both, as appropriate) ☒ Operating Rights (sublease), ☐ Overriding Royalty, payment out of production or other similar interest or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
TOWNSHIP 27 NORTH, RANGE 10 WEST, N.M.P.M. SECTION 8: NW4, SE4 SECTION 17: NW4 Containing 480.00 acres, more or less PICTURED CLIFFS FORMATION, GAS RIGHTS ONLY	100%	100%	0%	0%	Those of record
TOWNSHIP 27 NORTH, RANGE 10 WEST, N.M.P.M. SECTION 17: W/2 Containing 320.00 acres, more or less FRUITLAND COAL FORMATION, GAS RIGHTS ONLY San Juan County, New Mexico	100%	100%	0%	0%	Those of record

It is the intent of the Transferor to convey all its right, title and interest in this lease, only as to specific lands and formations described herein.

FOR BLM USE ONLY- DO NOT WRITE BELOW THIS LINE

UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

☒ Transfer approved effective JUN 01 1997
 By Maria Vargas
 (Authorized Officer)

 JUN 23 1997
 (Title) (Date)

ASSIGNMENT AND BILL OF SALE

STATE OF NEW MEXICO §
COUNTY OF SAN JUAN § KNOW ALL MEN BY THESE PRESENTS THAT

This Assignment and Bill of Sale (this "Assignment"), effective as of January 1, 1997, 7 a.m., Mountain Time (the "Effective Time"), is from Burlington Resources Oil & Gas Company and Glacier Park Company, each a Delaware corporation, whose addresses are 5051 Westheimer, Suite 1400, Houston, Texas 77056 (collectively, "Assignor"), to Taurus Exploration U.S.A., Inc., an Alabama corporation, whose address is 2101 Sixth Avenue North, Birmingham, Alabama 35203 ("Assignee").

Article 1 Definitions

1.01 *Certain Definitions.* Capitalized terms used herein, not otherwise defined, shall have the meanings assigned in the Purchase and Sale Agreement (the "Purchase and Sale Agreement"), dated January 27, 1997, between Assignor and Assignee. Other terms defined elsewhere in this Agreement shall have the meanings so given them herein.

Article 2 ASSIGNMENT

2.01 *Subject Interests.* Subject to the exceptions and reservations of Section 2.02, Assignor, for and in consideration of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants, sells, transfers, conveys, and assigns unto Assignee, its successors and assigns, all of Seller's right, title, and interest in and to the following (the "Subject Interests"):

- (i) The Hydrocarbon leases, leasehold interests, overriding royalty interests, rights and interests attributable or allocable to the Hydrocarbon leases or leasehold interests by virtue of pooling, unitization, communitization, and operating agreements, licenses, permits and other agreements, and other properties and interests described on Exhibit "A" (limited as to the interests, lands and depths indicated in the Exhibit) attached hereto, whether such interests are evidenced by instruments of record or whether Seller is entitled to receive an assignment of such interests by reason of a participation, joint venture, farm-in or other agreement (collectively, the "Leases"), together with Seller's right, title and interest in and to the property and rights incident thereto, including, but not limited to, as of the Effective Time, rights in, to, and under leases, permits, rights-of-way, easements, licenses, farmouts, farmins, options, orders, and other contracts or agreements of a similar nature in any way relating thereto;



- (ii) The wells, equipment, materials, fixtures, improvements and personal property located on the lands covered by Leases as of the Effective Time that are used or were obtained in connection with the ownership or Operation of the Leases, including inventory and remote monitoring equipment (the "Equipment"); provided, however, Equipment shall not include leased equipment located on the Leases;
- (iii) The unitization, pooling, communitization and operating agreements, and the units and pooled or communitized areas created thereby which relate to the Leases or which relate to units or wells located on the Leases, including the units formed under orders, regulations, rules, and other official acts of the governmental authority having jurisdiction, together with any right, title, and interest created thereby in the Leases or the other lands unitized, pooled or communitized therewith;
- (iv) All Hydrocarbons produced from or attributable to the Leases for the period from and after the Effective Time, or, with respect to any such Hydrocarbons sold after the Effective Time, Seller's right to receive the proceeds of such sales; and
- (v) The originals of all Records.

2.02 *Reservation.* Assignor excepts and reserves from this Assignment (i) the depths covered by, and the other interests in, the Leases defined by the limitations set forth on Exhibit "A" (the "Excluded Interests"), (ii) a non-exclusive right to use the servitudes, rights-of-way, easements and other surface use rights and permits created by or existing as part of the Leases or Easements for Operations by Seller (and its successors and assigns) with respect to the Excluded Interests (the "Reserved Use Rights"), and (iii) the personal property set forth in Exhibit "B" attached hereto.

2.03 *Accommodation.* Assignor and Assignee agree that their joint use of the lands covered by the Reserved Use Rights will be subject to a rule of reasonable accommodation, and neither will use such lands in a manner that unreasonably interferes with the use rights of the other or that exposes the other to unreasonable risk or expense.

2.05 *Permitted Encumbrances.* This Assignment is made and accepted subject to the Permitted Encumbrances and the terms and conditions of the Purchase and Sale Agreement

2.07 *Habendum.* TO HAVE AND TO HOLD the Subject Interests unto Assignee, its successors and assigns, forever, subject, however, to the matters in (i) this Assignment and (ii) the Purchase and Sale Agreement.

2.08 *Limitation of Warranties.* Except for those certain warranties, representations, and covenants made in the Purchase and Sale Agreement, this Assignment is made and the Subject Interests are accepted without warranty of any kind, expressed, implied, statutory, or otherwise, except that Assignor hereby specially warrants and agrees to defend the title to the Subject Interests against all lawful claims and demands of all persons or entities claiming the same or any part thereof by, through or under Assignor, but not otherwise.

2.09 *Disclaimer.* To the extent the Equipment constitutes personal property or fixtures, such are being conveyed in their "AS IS, WHERE IS" condition and state of repair, and *WITH ALL FAULTS AND DEFECTS.* ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY IMPLIED OR EXPRESSED REPRESENTATION OR WARRANTY AS TO THE CONDITION OF SUCH PERSONAL PROPERTY OR FIXTURES INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

2.10 *Nature of Interest in Federal Leases.* To the extent the Leases include federal leases, the interests being assigned by Assignor to Assignee under this Assignment are interests in and to the operating rights and/or record title in and to such Leases.

Article 3 OTHER PROVISIONS

3.01 *Successors and Assigns.* Subject to the restrictions on transfer of rights under the Purchase Agreement, all of the terms and provisions of this Assignment shall extend to, be binding upon, and inure to the benefit of the parties hereto, their respective successors and assigns.

3.02 *Headings.* The headings of the sections of this Assignment have been inserted for the convenience of the parties, but shall not be considered in construing or enforcing this Assignment.

3.03 *Additional Information.* Any party requiring additional information regarding the Assets, the Permitted Encumbrances, or any other matter in this Assignment may contact the parties at the addresses set forth above.

3.04 *Further Assurances.* The parties agree to execute and deliver such other instruments or documents and to take such other actions as may be necessary or desirable to effect the intent of this Assignment or further evidence the transfer of the Subject Interests to Assignee.

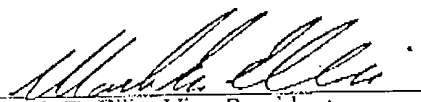
3.05 *Counterparts and Omissions.* This Assignment is executed in several counterparts, each of which is an original and all of which are identical, except for convenience

and to facilitate recordation, certain of the referenced Exhibits hereto may be omitted from the counterparts to be filed in the public records where the statutes governing recordation so permit without loss of the benefits afforded by such statutes. Separate assignments of the Subject Interests may be executed on officially approved forms by Assignor and Assignee, in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those Assignments shall be deemed to contain all of the terms set forth herein as fully as though they were set forth in such separate assignments. The Subject Interests conveyed by such separate assignments are the same, and not in addition to the Subject Interests conveyed herein.

In Witness Whereof, this Assignment is executed this 4th day of April, 1997, but effective as of the Effective Time.

Assignor:

Burlington Resources Oil & Gas Company

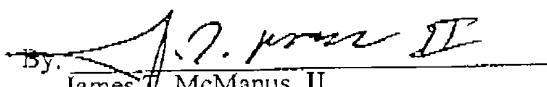
By: 
Mark E. Ellis, Vice President

Glacier Park Company

By: 
Mark E. Ellis, Vice President

Assignee:

Taurus Exploration U.S.A., Inc.

By: 
James T. McManus, II,
Chief Operating Officer

THE STATE OF TEXAS §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 4th day of April, 1997, by Mark E. Ellis, Vice President of Burlington Resources Oil & Gas Company, a Delaware corporation, on behalf of said corporation.

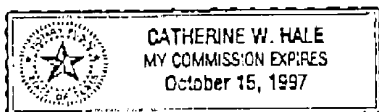


Catherine W. Hale
Notary Public in and for
The State of Texas

My Commission Expires:

THE STATE OF TEXAS §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 4th day of April, 1997, by Mark E. Ellis, Vice President of Glacier Park Company, a Delaware corporation, on behalf of said corporation.

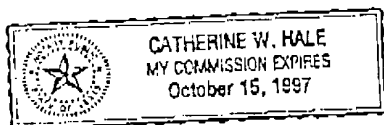


Catherine W. Hale
Notary Public in and for
The State of Texas

My Commission Expires:

THE STATE OF TEXAS §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 4th day of April, 1997, by James T. McManus, II, Chief Operating Officer of Taurus Exploration U.S.A., Inc., an Alabama corporation, on behalf of said corporation.



Catherine W. Hale
Notary Public in and for
The State of Texas

My Commission Expires:

s:\taurus96\invest\abob-hr-2

PREAMBLE
TO
EXHIBIT "A"
OF THE
ASSIGNMENT AND BILL OF SALE
FROM
BURLINGTON RESOURCES OIL & GAS COMPANY AND
GLACIER PARK COMPANY, COLLECTIVELY AS ASSIGNOR
TO
TAURUS EXPLORATION U.S.A., INC., AS ASSIGNEE
DATED EFFECTIVE
JANUARY 1, 1997
(the "Assignment")

This Exhibit "A" contains descriptions of the Leases assigned and conveyed under the Assignment. The leases are expressly limited to the interests, lands and depths and/or formations set forth in this Exhibit "A". With regard to depth or formation limitations for the Leases, such limitations are set forth in this Exhibit "A" with remarks such as "SURFACE TO BASE OF CRETACEOUS ONLY" or "DAKOTA FORMATION ONLY". These remarks describe a depth or formation covered by the particular Lease that is being assigned by Assignor to Assignee under the Assignment, and consequently, all other depths and/or formations that may be owned by Assignor under the Lease but not expressly described in this Exhibit "A" are excluded from the Assignment.

s:\taurus\96divest\pream-2

P. 10

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