

Maynard Oil Company

8080 N. Central Expressway
Suite 660
Dallas, Texas 75206
(214) 891-8880

DATE: April 15, 1986

RE: **PROPERTY NO.: 440406**
UNIT/WELL/POOL FILE: MOC UT-397
UNIT/WELL/POOL NAME: KIRBIE GOVERNMENT 1-26

Dear Interest Owner:

Enclosed is Maynard Oil Company's division order covering the above-captioned property for your execution and subsequent return to this office. Maynard Oil Company purchased this property from Shell Western E&P Inc. effective December 1, 1985.

Maynard Oil Company is a Delaware corporation which was organized in 1971 and is engaged in the exploration, development and production of oil and natural gas in the United States. The Company's principal executive office is located in Dallas, Texas, at the address shown above. Mr. James G. Maynard is Chairman of the Board and Mr. Glenn R. Moore is President and Chief Operating Officer.

INSTRUCTIONS FOR EXECUTION OF THIS DIVISION ORDER ARE AS FOLLOWS:

1. The Division Order should not be altered in any way unless accompanied by documentary evidence justifying the change. Any corrections of the spelling of your name should be made in ink and your initials shown above the correction. Have your signature witnessed by two witnesses.
2. If the Division Order is signed by an agent, attorney-in-fact, guardian or any party other than the named interest owner, we must be furnished a copy of the instrument evidencing such authority, unless previously furnished. Execution by a corporation should include attestation by the Secretary or Assistant Secretary of the corporation.
3. If not shown, please insert your taxpayer identification number or social security number in the space provided opposite your name on the instrument.
4. Return one copy of the Division Order to the address indicated, retaining one copy for your records.

PAGE TWO

5. If a Schedule of Interest Owners is attached to the Division Order, please do not detach the schedule from the signed Division Order.

At the top of the Division Order you will find the number assigned to this property. This number will appear on the remittance statement portion of your check and should always be used when corresponding with this company.

You should notify us promptly of any change in your mailing address. This notice must be over your own signature, or the signature of your appointed agent.

Also enclosed is Internal Revenue Service Form 6783, Qualified Royalty Owner's Exemption Certificate or Form 6458, Certification and Election Form for Producers. If applicable, please complete same in accordance with the instructions on said form and return to this office along with your Division Order. **Maynard Oil Company cannot offer you guidance in the completion of the Internal Revenue Forms.** Please consult your tax advisor or your local Internal Revenue Service Office if further assistance is needed to complete these forms.

By certified mail, return receipt requested, Maynard Oil Company has informed all first purchasers of production of the acquisition by Maynard of Shell Western's interest in the above-captioned property. It will take some time for the first purchaser to make the appropriate changes in its records. The timeliness of our payments to you will be dependent on the timeliness of the first purchaser in making these necessary changes. Once payment is received by Maynard from the first purchaser we will process payment to you.

If you have any questions, please feel free to contact the undersigned.

Very truly yours,

MAYNARD OIL COMPANY



E. C. Foster
Land Manager

CJF
Enclosures

OIL AND GAS DIVISION ORDER

TO: MAYNARD OIL COMPANY
Attention Land Department
8080 North Central Expressway
Suite 660
Dallas, Texas 75206

DATE: April 15, 1986
UNIT/WELL/POOL FILE: UT-397
PROPERTY NO.: 440406

Effective as of January 1, 1986

Each of the undersigned certifies and guarantees that such undersigned is the legal owner of the interests set out below opposite their respective names in all oil (defined as crude oil and condensate) and/or in the proceeds derived from the sale of all gas (defined as natural gas and casinghead gas) produced from the following described property:

KIRBIE-GOVERNMENT 1-26

All of Section 26-17N-22W, as to Tonkawa Sand Formation only

located in Ellis & Roger Mills County/Parish, Oklahoma.
From the effective date and until further written notice, and subject to the following provisions, you or your designated agent are authorized to receive all oil and gas production and give credit for all oil production received and for all the proceeds derived from the sale of gas, in accordance with the division of interest shown below:

OWNER'S SOCIAL SECURITY OR TAX IDENTIFICATION NO.	CREDIT TO: NAME & ADDRESS	DIVISION OF INTEREST
---	------------------------------	----------------------------

SEE SCHEDULE ATTACHED HERETO AND MADE A PART HEREOF

You are hereby authorized and directed, subject to the covenants and subsequent provisions hereof, to give credit as hereinabove shown for such interest, and compliance herewith shall relieve you of any further liability to the undersigned with respect to such production. The covenants and other matters set out on the reverse side hereof constitute a part of this Division Order and shall be binding on the undersigned, his, her, or its heirs, successors and assigns.

WITNESS/ATTEST:

TWO WITNESSES ARE REQUIRED FOR EVERY SIGNATURE

PUBLIC LAW 87-397 REQUIRES RECIPIENTS OF DIVIDENDS, INTEREST OR OTHER PAYMENTS TO FURNISH IDENTIFYING NUMBERS TO PAYERS REQUIRED TO REPORT SUCH PAYMENTS TO THE INTERNAL REVENUE SERVICE.

1. Settlement for the aforesaid interests shall be made on the basis of the net proceeds derived from all sales of such production at the well and upon the volume computations made by the purchasers thereof, provided, however, in the event at any time, or from time to time, any owner runs such production or any portion thereof in lieu of selling same at the well, then settlement therefor for such period or periods shall be on the basis of the then current market value of the production so run.

2. Settlements shall be made monthly by your check mailed to the signatory party or parties at the addresses given on the reverse side for such party or parties, less any taxes required by law to be deducted and paid by you. If the average payment to any party hereunder be less than ten dollars, you may defer payment, without interest, and make payments to such party annually or at such lesser intervals as you may deem appropriate.

3. You are hereby relieved of any responsibility for determining when any interest hereunder shall change by increase, decrease, termination, reversion or otherwise. You are authorized to remit to the signatory party or parties pursuant to the revenue interest transferred to such party or parties as shown on the reverse side hereof until written notice to the contrary is received by you at your office in Dallas, Texas, and you shall be held harmless against any loss or liability due to your failure to receive such notice. The signatory party or parties agree to notify you in writing of any change in interest, and no transfer of interest shall be binding on you until you are furnished the original recorded instrument (or a certified copy thereof) or certified copies of a transcript of proceedings which satisfactorily evidences such transfer, and your regular form of Transfer Order is fully executed and returned to you. Regardless of the effective date of the transfer, all transfers of interest shall be effective hereunder as of 7:00 o'clock a.m. on the first day of the calendar month, but not earlier than the first day of the next calendar month after the calendar month in which such written notice is received.

4. If any claim is made which in your opinion adversely affects title to any interest shown on the reverse side hereof or such title is not satisfactory to you, the signatory party or parties credited with such interest severally agree to furnish abstracts or other evidence of title acceptable to you. In the event of failure to furnish such satisfactory evidence of title, you are authorized to withhold payments accruing to such interest, without interest, until the claim is settled.

5. Ratification is hereby made of the unit, gas purchase agreements and lease agreements covering the leasehold estate hereinabove described, and it is hereby warranted that your right, title and interest in and to the oil and gas and/or mineral leases and leasehold estates comprising such unit have been perfected in all respects in accordance with the terms of the base lease or assignment agreements executed by the signatory party or parties as lessors or assignors.

6. Each working interest owner warrants that the oil and/or gas has been produced in accordance with all applicable laws, rules and regulations.

7. You are authorized to withhold or cause to be withheld any applicable tax in accordance with the requirements of a Tax Act and any regulations promulgated pursuant thereto and each of the signatory party or parties further agree, if necessary, to execute for you appropriate certifications of taxable status. In the event a certification is not executed and returned to you, you are authorized to withhold or cause to be withheld the required tax at the maximum rate.

8. You are authorized to apply to the appropriate jurisdictional agency for the category determination you believe appropriate for gas produced and sold from said property. You are further authorized to certify all crude oil produced from the property and to certify to any purchaser the applicable pricing tier in accordance with Department of Energy Regulations. You shall not be held accountable for any improper or unauthorized certification or category determination unless made in bad faith and each signatory party agrees to pay or reimburse you for any overpayment resulting from improper or unauthorized category determination or improper certification.

9. This Division Order may be executed in counterparts, and shall be binding upon and enure to the benefit of all signers hereof, their heirs, successors and assigns, whether or not it is signed by all the parties named herein.

OWNER'S SOCIAL SECURITY OR TAX IDENTIFICATION NO.	CREDIT TO: NAME & ADDRESS	DIVISION OF INTEREST
<u>ROYALTY INTEREST:</u>		
446-38-9146	Arnold W. Brown and Faye Brown, J/T Route 2 Arnett, OK 73832	.0026836
442-62-8120	Faye Brown Route 1 Arnett, OK 73832	.0027648
444-36-4776	Pete A. Brown Arnett, OK 73832	.0027648
440-42-3467	Anna Bruce Route 1, Box 100 Meeker, OK 74855	.0027649
497-07-8411	Bettie I. Cameron 3421 Treadwell Drive Oklahoma City, OK 73112	.0001491
	The Federal Land Bank of Wichita 245 North Waco Box 2940 Wichita, KS 67209	.0081767
445-16-7814	Arthur M. Green Rt. 4, Box 419 Guthrie, OK 73044	.0005591
453-26-6319	Pauline Gwin Rt. 2, Box 134 Mt. Vernon, MO 65712	.0004608
443-16-9109	Bennie Harmon R.R. 1, Box 196 Cashion, OK 73016	.0002795
443-38-3723	F. J. Hines Box 302 Leedey, OK 73654	.0124476
447-07-2788	Edith Ann Hodges Box 12173 Oklahoma City, OK 73112	.0001491
447-30-0128	Barbara L. Hudgins 2632 NW 44th St. Oklahoma City, OK, 73112	.0002795

SCHEDULE OF INTEREST OWNERS
KIRBIE-GOVERNMENT
ELLIS & ROGER MILLS COUNTY, OKLAHOMA
Page 2 of 3

OWNER'S SOCIAL SECURITY OR TAX IDENTIFICATION NO.	CREDIT TO: NAME & ADDRESS	DIVISION OF INTEREST
<u>ROYALTY INTEREST, cont.</u>		
	Estate of Elbert Lee Jones Address Unkown	.0004608
454-40-7217	John A. Jones Rt. 4, Box 208 Mission, TX 78572	.0004608
441-24-1174	Geneva Kirbie Box 162 Leedey, OK 73654	.0124476
442-20-0700	Hazel Kirbie P. O. Box 162 Leedey, OK 73654	.0124476
	Minerals Management Service Box 5810 T.A. Payor 37580 Denver, CO 80217	.0411758
567-38-4998	Eulah P. Nuttall c/o Manford State Bank Drawer 70 Manford, OK 74044	.0027649
	Commissioners of the Land Office of State of Oklahoma Fund UV State Capitol Building Oklahoma City, OK 73105	.0191133
546-34-9594	Norman L. Oliver 5729 E. Siverly Ln. Fresno, CA 93727	.0005591
546-34-9595	Richard L. Oliver P. O. Box 425 June Lake, CA 93529	.0005591
448-24-5088	Jo Ann Perkins 2625 N. W. 61st Oklahoma City, OK 73112	.0001491
460-52-1172	Bobbie J. Smith Box 234 Marble Falls, TX 78654	.0004608
465-19-6841	Daniel M. Thomas c/o Bobbie J. Smith P. O. Box 234 Marble Falls, TX 78654	.0004608
457-44-8413	Alice F. Tuttle 2923 Golden Leaf Dr. Kingwood, TX 77339	.0004608

SCHEDULE OF INTEREST OWNERS
KIRBIE-GOVERNMENT
ELLIS & ROGER MILLS COUNTY, OKLAHOMA
Page 3 of 3

OWNER'S SOCIAL SECURITY OR TAX IDENTIFICATION NO.	CREDIT TO: NAME & ADDRESS	DIVISION OF INTEREST
<u>OVERRIDING ROYALTY INTEREST:</u>		
	Damson Oil Corporation P. O. Box 100622 Houston, TX 77212	.0017095
561-28-7976	Irwin Rubenstein 12355 East Cornell Ave. Aurora, CO 80014	.0068105
<u>WORKING INTEREST:</u>		
569-07-4149	Bruce Anderson 900 Allied Bank Plaza 1000 Louisiana Houston, TX 77002	.1169346
453-30-4321	John M. Beard 1405 Energy Plaza 3030 Northwest Expressway Oklahoma City, OK 73112	.0286554
	Beard Oil Company Revenue Accounting P. O. Box 850004 Oklahoma City, OK 73185	.0859661
	Conoco, Inc. P. O. Box 200002 Houston, TX 77216	.1337930
288-16-1003	F. H. Hartman 3120 N. W. 69th Street Oklahoma City, OK 73116	.0011578
	Maynard Oil Company 8080 North Central Expressway Suite 660 Dallas, TX 75206	.2710239
	Meridian Oil Production, Inc. c/o Meridian Oil Inc. Oil & Gas Revenue Receipts Denver, CO 80256-0444	.2289492