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ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THE STATE OF IOWA)
)
 COUNTY OF MADISON)

1987 MAR 13 PM 4:09
 MARY E. WELTY
 RECORDER
 MADISON COUNTY, IOWA

Fee \$65.00

This Assignment, Bill of Sale and Conveyance (the "Assignment") dated effective as of October 1, 1986, at 7:00 A.M. ("Effective Date") is from The Beard Company, formerly Beard Oil Company, a Delaware corporation ("Assignor") whose principal office is located at 2000 Classen Center, Suite 200 South, Oklahoma City, Oklahoma 73106, to Beard Oil Company, a Delaware corporation, whose principal office is located at 2000 Classen Bldg., Suite 200, 2000 Classen Blvd., Oklahoma City, Oklahoma 73106 ("Assignee").

For ONE HUNDRED AND NO/100 DOLLARS (\$100.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor hereby transfers, grants, conveys and assigns to Assignee the following (all of which are herein called the "Interests"):

1. All of Assignor's right, title and interest in and to the Oil, Gas and Mineral Leases described in Exhibit "A" attached hereto and made a part hereof and wells thereon or currently drilling thereon (herein called the "Leases").
2. All of Assignor's right, title and interest in, to and under, or derived from, all of the presently existing pooling and unitization agreements and the units created thereby which relate to the Leases described in Exhibit "A" or to the production of oil, gas and other hydrocarbons from or attributable to said properties and interests.
3. All of Assignor's right, title and interest in and to the property and rights incident to the Leases, including to the extent transferable, all agreements, product purchase and sale contracts, leases, permits, rights-of-way, easements, licenses, farmouts, options and orders in any way relating thereto.
4. All of Assignor's right, title and interest in and to any royalty, overriding royalty, or other payments out of production insofar as same relate to the Leases.

5. All of Assignor's right, title and interest in and to all of the personal property, fixtures and improvements now or as of the Effective Date appurtenant to the Leases used, stored or obtained in connection with the operation of the Leases or with the production, treatment, transportation, sale or disposal of hydrocarbons or water produced therefrom or attributable thereto (hereinafter referred to as the "Properties").

TO HAVE AND TO HOLD the Interests unto Assignee and its successors and assigns forever.

Provided, however, that this Assignment (and the special warranty of title set forth below), is in all respects subject to the royalties provided in the Leases, the terms and provisions of the Leases and the terms and provisions of the other contracts and agreements executed by Assignor prior to the Effective Date.

Assignor warrants and agrees to defend the title to the Interests against the claims and demands of all persons claiming the same or any part thereof by, through or under Assignor, but not otherwise.

In no event shall Assignor's liability under the limited special warranty set forth in the immediately preceding paragraph ever exceed, for each of the interests assigned and transferred hereby, an amount equal to the total value of the Interests plus the cost to Assignee of defending against such claim.

Assignor also hereby grants and transfers to Assignee, its successors and assigns, to the extent transferable, the benefit of and the right to enforce the covenants and warranties, if any, which Assignor is entitled to enforce with respect to the Interests against Assignor's predecessors in title to the Interests.

The parties agree that to the extent required to be operative, the disclaimers of certain warranties contained in this section are "conspicuous disclaimers" for the purposes of any applicable law, rule or order. Except as expressly set forth above, the Interests are assigned to Assignee without

recourse, covenant or warranty of any kind, express, implied or statutory. WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING SENTENCE, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES AS TO PERSONAL PROPERTY AND FIXTURES (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

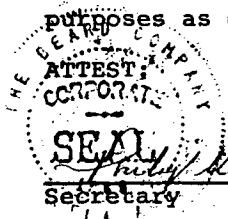
Unless provided otherwise, all recording references in the Exhibits hereto are to the Official Real Property Records of the counties in which the Interests are located.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

This Assignment is being executed in multiple originals, all of which are identical, except that, to facilitate recordation, in certain counterparts hereof only that portion of Exhibit "A" which contains specific descriptions of the Interests located in the recording jurisdiction where that counterpart is to be recorded are included. All of such counterparts together constitute but one and the same instrument. Complete copies of this Assignment containing the entire Exhibit "A" have been retained by Assignor and Assignee.

EXECUTED as of October 1, 1986, to be effective for all


purposes as of the Effective Date.



ASSIGNOR:

THE BEARD COMPANY, formerly Beard Oil Company, a Delaware Corporation

BY

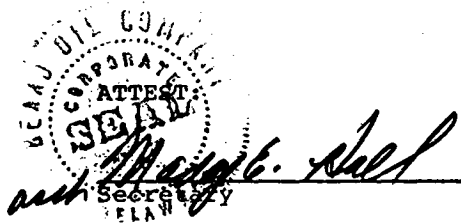

John A. Mason
Vice President

ASSIGNEE:

BEARD OIL COMPANY, a Delaware Corporation

BY


John R. Brown
Vice President

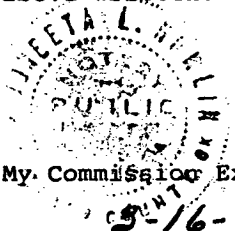


ACKNOWLEDGEMENTS

STATE OF OKLAHOMA)
)
OKLAHOMA COUNTY)

Before me, a Notary Public in and for said State, on this 4th day of March, 1987, personally appeared John A. Mason, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as Vice President of The Beard Company and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Witness my hand and official seal the day and year last above written.



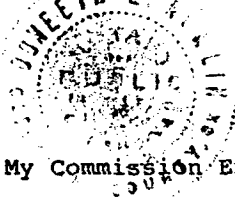
Doretha L. Newlin
Notary Public

My Commission Expires:
3-16-, 19 87.

STATE OF OKLAHOMA)
)
OKLAHOMA COUNTY)

Before me, a Notary Public in and for said State, on this 4th day of March, 1987, personally appeared John R. Brown, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as Vice President of Beard Oil Company and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Witness my hand and official seal the day and year last above written.



Doretha L. Newlin
Notary Public

My Commission Expires:
3-16- 19 87.

TE: IOWA

COUNTY: MADISON

1. LEASE: 009097-000
DATE: 05/31/84
LESSOR: RADAKOVICH, GEORGE, ET UX
LESSEE: JACK B. SMITH
RECORDED: VOLUME: 36, PAGE: 57

LEGAL DESCRIPTION

T77N, R28W

SEC. 09: THE SOUTH 1410 FT. AND THE EAST 680 FT. OF THE NORTH 710 FT OF THE SOUTH 2120 FT. OF ALL THAT PART OF THE NW/4 LYING EAST OF THE QUARRY SPUR OF THE CHICAGO, ROCK ISLAND AND PACIFIC RW COMPANY AND THE SW/4NE/4, NORTH 330 FT. OF THE SOUTH 980 FT. OF THE E/2NE/4, SOUTH 650 FT. OF THE E/2NE/4, AND THAT PART OF THE NE/4 CONTAINING 29.2 ACRES MORE OR LESS.
SEC. 10: THE EAST 2000 FT. OF THE N/2NW/4 EXCEPT THE WEST 500 FT. OF THE SOUTH 330 FT. THEREFO
SEC. 03: SE/4SW/4 LYING SOUTH OF THE CHICAGO, R.I. PACIFIC THAT PART RW CO. R-O-W, AND ALL THAT PART OF THE SW/4SW/4 LYING SOUTH OF THE CHICAGO, R.I. AND PACIFIC RR R-O-W.
SEC. 04: ALL THAT PART OF THE W/2SW/4 LYING AND BEIN NORTH OF THE MAIN LINE OF THE CHICAGO, R.I. AND PACIFIC RR R-O-W AND THE E/2SW/4 WHICH LIES NORTH OF THE CHICAGO, R.I. AND PACIFIC RW, R-O-W.

2. LEASE: 009098-000
DATE: 05/21/84
LESSOR: ALGREEN, BILLY R., ET UX
LESSEE: JACK B. SMITH
RECORDED: VOLUME: 36, PAGE: 36

LEGAL DESCRIPTION

T77N, R28W

SEC. 27: NE/4NW/4, S/2NW/4, WEST 10 ACRES OF THE SW/4NE/4, NW/4SE/4, NE/4SW/4, N/2NW/4SW/4 NORTH 3 ACRES OF THE SE/4SW/4 AND EAST 3 RODS OF THE NORTH 43 RODS OF THE SOUTH 3/4 OF THE W/2SW/4 EXCEPT THE R-O-W AND A TRACT CONTAINING 8 ACRES MORE OR LESS.

3. LEASE: 009099-000
DATE: 06/06/84
LESSOR: SLAYBAUGH, IVYD, ET UX
LESSEE: JACK B. SMITH
RECORDED: VOLUME: 36, PAGE: 55

LEGAL DESCRIPTION

T77N, R28W

SEC. 20: E/2NE/4, SW/4NE/4, W/2SE/4, W/2E/2SW/4, NW/4NE/4, E/2NE/4NW/4, THE NORTH 5 ACRES OF THE NE/4SE/4NW/4

4. LEASE: 009100-000
DATE: 05/09/84
LESSOR: ALGREEN, BILLY R., ET UX
LESSEE: JACK B. SMITH
RECORDED: VOLUME: 36, PAGE: 39

LEGAL DESCRIPTION

T77N, R28W

SEC. 02: S/2SW/4
SEC. 11: N/2NW/4

5. LEASE: 009101-000
DATE: 05/31/84
LESSOR: BOND, LLOYD R.
LESSEE: JACK B. SMITH
RECORDED: VOLUME: 36, PAGE: 30

LEGAL DESCRIPTION

T77N, R29W

SEC. 30: COMMENCING AT A POINT 28 2/3 RODS SOUTH OF THE NW/CORNER OF THE SW/4NE/4 AND RUNNING THENCE S 18 1/3 RODS, THENCE E 12 RODS, THENCE S 7 RODS, THENCE W 12 RODS, THENCE S 30 RODS, THENCE E 60 RODS, THENCE N 55 1/3 RODS, THENCE W 80 RODS TO PLACE OF BEGINNING, AND THE EAST ONE ROD IN WIDTH OF THE N 108 2/3 RODS IN LENGTH OF THE W/2NE/4. AND

PLSHAI/V40 DLWROC (10/23/86)

COMPANY NO. 090

COMPANY ID: BOC

BEARD OIL COMPANY
EXHIBIT 'A'

10/24/8
PAGE: 14

STATE: IOWA

COUNTY: MADISON

LEASE # 009101-000 (CONTINUED)
THE SOUTH 78 ACRES OF THE W/2SE/4, SW/4SE/4

6. LEASE: 009102-000
DATE: 05/30/84
LESSOR: SAWHILL, MABEL L.
LESSEE: JACK B. SMITH
RECORDED: VOLUME: 36, PAGE: 34

LEGAL DESCRIPTION

T76N, R29W

SEC. 23: W/2NW/4NE/4, E/2SE/4NW/4, W3/4SW/4NE/4

7. LEASE: 009103-000
DATE: 05/31/84
LESSOR: SAWHILL, JESSIE R.
LESSEE: JACK B. SMITH
RECORDED: VOLUME: 36, PAGE: 32

LEGAL DESCRIPTION

T76N, R29W

SEC. 23: EAST 50 ACRES OF THE S/2NE/4

SEC. 24: SW/4NW/4, SW/4 EXCEPT THE S 175 FT. OF THE W 125 FT. OF THE SW/4

SEC. 25: W/2NW/4

SEC. 26: E/2NE/4

8. LEASE: 009104-000
DATE: 05/07/84
LESSOR: NIBLO, ROBERT, ET UX
LESSEE: JACK B. SMITH
RECORDED: VOLUME: 36, PAGE: 28

LEGAL DESCRIPTION

T76N, R29W

SEC. 23: SE/4

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