


ASSIGNMENT AND ASSUMPTION AGREEMENT

STATE OF COLORADO §
 §
COUNTY OF LOGAN §


625225 09/08/1997 09:30A B913 P279 ASNASSAGMT
1 of 3 R 16.00 D 0.00 N 0.00 Logan County CO

This Assignment and Assumption Agreement (hereinafter referred to as Assignment), dated effective as of November 1, 1996, (the "Effective Date"), is between AEJH 1985 Limited Partnership, a Delaware Limited Partnership, AEJH 1987 Limited Partnership, a Delaware Limited Partnership, and AEJH 1989 Limited Partnership, a Delaware Limited Partnership, hereinafter referred to as "Assignor", and National Energy Group, Inc., a Delaware Corporation, hereinafter referred to as "Assignee".

RECITALS

Assignor and Assignee have entered into that certain Purchase and Sale Agreement (the "Purchase and Sale Agreement") dated effective as of even date herewith, pursuant to which Assignor has agreed to sell to Assignee, and Assignee has agreed to purchase from Assignor, all of Assignor's rights, titles, and interests in and to (1) the Oil, Gas, and Mineral Leases, set out and more fully described in Exhibit "A" attached hereto and made a part hereof; (2) all of the lands covered by such leases; and (3) all wells, personal property, equipment and fixtures used or obtained in connection with such leases and lands, which interests are hereinafter referred to collectively as the "Subject Interests".

Assignor desires to sell and assign to Assignee, and Assignee desires to purchase and acquire from Assignor, all of the Subject Interests, subject to and in accordance with the terms of this Agreement;

AGREEMENT

NOW THEREFORE, in consideration of the payment by Assignee to Assignor of the Purchase Price (as such term is defined in the Purchase and Sale Agreement), the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor and Assignee, Assignor and Assignee hereby agree as follows:

1) Assignment. Effective as of the Effective Date, Assignor by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER and SET OVER and DELIVER unto Assignee the Subject Interests.

TO HAVE AND TO HOLD the Subject Interests together with all and singular the rights and privileges in any wise appertaining thereto, unto Assignee and Assignee's successors and assigns forever.

2) Assumption. Effective as of the Effective Date, Assignee hereby assumes all obligations relating to the Subject Interests which accrue from and after the Effective Date.

3) Miscellaneous.
(a) Assignor and Assignee each agree to execute, acknowledge and deliver to the other all such additional instruments, notices, and other documents and to do all such further acts and things as may be necessary or useful to more fully and effectively effect the intent of this Assignment.

(b) THIS ASSIGNMENT, THE LEGAL RELATIONS AMONG THE PARTIES HERETO, AND ALL RIGHTS AND OBLIGATIONS HEREUNDER, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY, AND PERFORMANCE, SHALL BE GOVERNED BY AND INTERPRETED, CONSTRUED, APPLIED, AND ENFORCED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS WITHOUT REFERENCE TO THE LAW OF ANOTHER JURISDICTION.

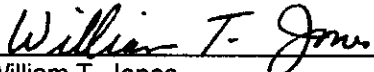
(c) This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

EXECUTED this 27th day of August, 1997, but effective as of November 1, 1996.

ASSIGNOR:

AEJH 1985 LIMITED PARTNERSHIP,
AEJH 1987 LIMITED PARTNERSHIP and
AEJH 1989 LIMITED PARTNERSHIP

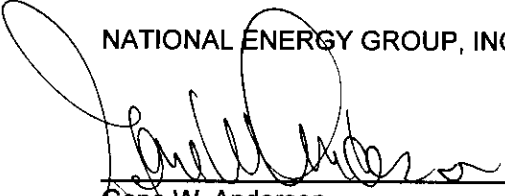
By: NATIONAL ENERGY GROUP, INC.,
as Successor in interest to NEG-OK, Inc.,
as General Partner for Each of
Said Limited Partnerships



William T. Jones
Senior Vice President

ASSIGNEE:

NATIONAL ENERGY GROUP, INC.



Gene W. Anderson
Vice President of Land

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 28th day of August, 1997, by William T. Jones, Senior Vice President of National Energy Group, Inc., a Delaware Corporation, on behalf of said corporation, as General Partner of AEJH 1985 Limited Partnership, a Delaware Limited Partnership, AEJH 1987 Limited Partnership, a Delaware Limited Partnership, and AEJH 1989 Limited Partnership, a Delaware Limited Partnership, on behalf of all of said limited partnerships.



Linda K Childers

Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 28th day of August, 1997, by Gene W. Anderson, as Vice President of Land of National Energy Group, Inc., a Delaware corporation, on behalf of said corporation.



Virginia Burchard

Notary Public in and for the State of Texas


5/14/96

EXHIBIT "A"
COUNTY OF LOGAN, CO

PAGE

Budin #1

WELL NAME: Budin #1
DESCRIPTION: SW/4 NE/4. Section 6, Township 8 North, Range 54 West


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LEASE ----- CO-00007-A
RECORDING DATA- BOOK - 628 PAGE - 532
LEASE DATE ---- 8/14/68
LESSOR ----- HARRY G. MOZINGO
LESSEE ----- REX MONAHAN
DESCRIPTION --- LCT 13
SECTION 6, TOWNSHIP 8 NORTH, RANGE 54 WEST
LOGAN COUNTY, COLORADO

LEASE ----- CO-00007-B
RECORDING DATA- BCOK - 626 PAGE - 55
LEASE DATE ---- 4/11/68
LESSOR ----- PAUL F. BUDIN AND HELEN MAE BUDIN, HUSBAND AND WIFE
LESSEE ----- REX MONAHAN
DESCRIPTION --- LOTS 7, 8 AND 13
SECTION 6, TOWNSHIP 8 NORTH, RANGE 54 WEST
LOGAN COUNTY, COLORADO

LEASE ----- CO-00007-C
RECORDING DATA- BCOK - 626 PAGE - 56
LEASE DATE ---- 4/11/68
LESSOR ----- E. WORTH JARRETT
LESSEE ----- REX MONAHAN
DESCRIPTION --- LOTS 7, 8 AND 13
SECTION 6, TOWNSHIP 8 NORTH, RANGE 54 WEST
LOGAN COUNTY, COLORADO

LEASE ----- CO-00007-D
RECORDING DATA- BOOK - 626 PAGE - 57
LEASE DATE ---- 4/11/68
LESSOR ----- FRED KUGLER
LESSEE ----- REX MONAHAN
DESCRIPTION --- LOTS 7, 8 AND 13
SECTION 6, TOWNSHIP 8 NORTH, RANGE 54 WEST
LOGAN COUNTY, COLORADO

LEASE ----- CO-00007-E
RECORDING DATA- BOOK - 626 PAGE - 58
LEASE DATE ---- 4/19/68
LESSOR ----- ALICE MAYBERRY
LESSEE ----- REX MONAHAN
DESCRIPTION --- LOT 13
SECTION 6, TOWNSHIP 8 NORTH, RANGE 54 WEST
LOGAN COUNTY, COLORADO

LEASE ----- CO-00007-F
RECORDING DATA- BOOK - 641 PAGE - 374
LEASE DATE ---- 5/23/69
LESSOR ----- PATRICIA FAGAN RILEY
LESSEE ----- REX MONAHAN
DESCRIPTION --- LOT 13
SECTION 6, TOWNSHIP 8 NORTH, RANGE 54 WEST
LOGAN COUNTY, COLORADO