

Eddy County, New Mexico

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

This Assignment, Bill of Sale and Conveyance (this "Assignment") dated effective as of 7:00 a.m. on December 31, 1999 (the "Effective Time") is from HAYES PROPERTIES, INC., a Texas corporation ("Assignor") to HAYES LAND CORPORATION, a Texas corporation, whose address is 3300 North A Street, Building 1, Suite 220, Midland, Texas 79705, and HAYES LAND & PRODUCTION COMPANY, a Texas corporation, whose address is 110 West Louisiana, Suite 350, Midland, Texas 79701 (Hayes Land Corporation and Hayes Land & Production Company are collectively referred to herein as "Assignees").

For a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Assignor, Assignor has TRANSFERRED, GRANTED, CONVEYED and ASSIGNED, and does hereby TRANSFER, GRANT, CONVEY and ASSIGN, in equal shares unto Assignees the following described properties and assets, less and except the Excluded Assets (defined below) (the following described properties and assets, less and except the Excluded Assets, being herein collectively called the "Assets"):

All assets and properties owned by Assignor of every kind and character, whether real, personal or mixed, wherever located, and whether Assignor holds legal or equitable title thereto or therein; including, without limitation, all of Assignor's interest in and to (a) the properties, interests and estates described on Exhibit "A" attached hereto and incorporated herein by this reference, (b) the lands, oil and gas leases, mineral interests, royalty interests, overriding royalty interests, surface estates and other estates and interests described or referred to on Exhibit "A" attached hereto, (c) all rights and estates acquired by Assignor pursuant to any of the instruments described or referred to on Exhibit "A" attached hereto or conveyed by any of the instruments described or referred to on Exhibit "A" attached hereto, (d) all assets and properties located in any of the counties named on Exhibit "A" attached hereto, and (e) all personal property, equipment, fixtures, improvements, contract rights, agreements, easements and other rights and estates located on, appurtenant to or used in connection with any of the foregoing properties, interests, rights and estates.

TO HAVE AND TO HOLD the Assets in equal shares unto Assignees, their respective successors and assigns, forever, subject to the terms and provisions herein stated.

As used herein, the term "Excluded Assets" means all capital stock owned by Assignor in each of the Assignees. The Excluded Assets are hereby expressly excluded from this Assignment and reserved and retained by Assignor. The Assets shall also not include any properties or assets owned by M. Brad Bennett, individually, by William H. Bennett, individually, or by any entity other than Assignor.

THIS ASSIGNMENT IS MADE WITHOUT WARRANTY OF TITLE, EITHER EXPRESS OR IMPLIED, AND WITHOUT RECOURSE. ALL PERSONAL PROPERTY AND EQUIPMENT HEREIN CONVEYED IS CONVEYED BY ASSIGNOR TO ASSIGNEES "AS IS" AND "WHERE IS" WITH ALL FAULTS AND DEFECTS WITHOUT RECOURSE BY ASSIGNEES, THEIR RESPECTIVE SUCCESSORS AND/OR ASSIGNS, AGAINST ASSIGNOR AND WITHOUT COVENANT, REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY; AND WITHOUT LIMITATION OF THE GENERALITY OF THE PRECEDING CLAUSE, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES AS TO THE PERSONAL PROPERTY AND EQUIPMENT HEREIN CONVEYED (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND (C) ANY

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RECEPTION
00628Richard J. Ganem
Hedrick Marionfeld, Sr. 10/1Oil Conservation Division
Case No. 12718
Exhibit No. 1

IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

Assignor also hereby GRANTS and TRANSFERS in equal shares unto Assignees, their respective successors and assigns, to the extent so 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 Assets against Assignor's predecessors in title to the Assets.

By acceptance of this Assignment, Assignees assume and agree to perform their proportionate parts of all of Assignor's express and implied covenants and obligations with respect to the Assets herein conveyed.

Assignor and Assignees agree to execute, acknowledge and deliver such other additional documents in form and substance similar to this Assignment and take such further actions as may be necessary or appropriate in order to carry out the intent of the parties herein with respect to the Assets.

This Assignment is executed pursuant to Order dated October 19, 1999, entered in Cause No. CV-42,008 in the 385th Judicial District Court of Midland County, Texas, a copy of said Order being attached hereto as Exhibit "B".

This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one Assignment. To facilitate recording, the counterparts to be recorded in a given county may contain only that portion of Exhibit "A" that describes property located in that county. Assignor and Assignees have each retained a counterpart of this Assignment with a complete Exhibit "A", and another counterpart of this Assignment with a complete Exhibit "A" is to be filed in the real property records of Midland County, Texas.

EXECUTED on the 16TH day of December, 1999, to be effective for all purposes as of the Effective Time.

ASSIGNOR:

HAYES PROPERTIES, INC.

By: Kenneth R. Dean
Kenneth R. Dean, Receiver

ASSIGNEES:

HAYES LAND CORPORATION

By: M. Brad Bennett
M. Brad Bennett, President

HAYES LAND & PRODUCTION COMPANY

By: William H. Bennett
William H. Bennett, President

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ASSIGNOR:

HAYES PROPERTIES, INC.

By: Kenneth R. Dean
Kenneth R. Dean, Receiver

ASSIGNEES:

HAYES LAND CORPORATION

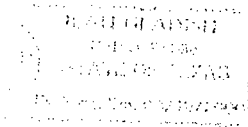
By: M. Brad Bennett
M. Brad Bennett, President

HAYES LAND & PRODUCTION COMPANY

By: William H. Bennett
William H. Bennett, President

STATE OF TEXAS §
COUNTY OF MIDLAND §

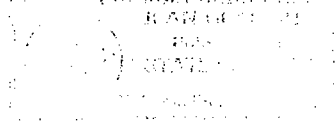
This instrument was acknowledged before me this 16th day of December, 1999, by Kenneth R. Dean, Receiver of HAYES PROPERTIES, INC., a Texas corporation, on behalf of said corporation.



Jean Gladish
Notary Public - State of Texas

STATE OF TEXAS §
COUNTY OF MIDLAND §

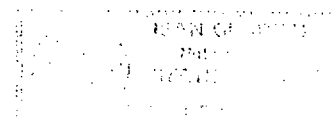
This instrument was acknowledged before me this 16th day of December, 1999, by M. Brad Bennett, President of HAYES LAND CORPORATION, a Texas corporation, on behalf of said corporation.



Jean Gladish
Notary Public - State of Texas

STATE OF TEXAS §
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 21st day of December, 1999, by William H. Bennett, President of HAYES LAND & PRODUCTION COMPANY, a Texas corporation, on behalf of said corporation.



Jean Gladish
Notary Public - State of Texas

RECORDER'S MEMORANDUM
All or parts of the text on this page
was not clearly legible for satisfactory
recording EDDY COUNTY CLERK

Number 26:

Date: February 15, 1949
 Recorded: Book 33, Page 91, Oil and Gas Records, Eddy County, NM
 Lessor: Valley Land Company
 Lessee: Jack May and William J. Finch d/b/a May & Finch
 Land Covered: Township 24 South, Range 29 East,
 Section 7: SE/4 NW/4, SW/4 SW/4, from 5000' to 12,411'
 Eddy County, New Mexico
 Type Interest: Leasehold
 File No.: NM-501-02

Number 27:

Serial No.: NM-0343045
 Date: December 1, 1991
 Recorded: Book 114, Page 297, Oil and Gas Records, Eddy County Records.
 Lessor: The United States of America
 Lessee: Leon Davis
 Land Covered: Township 18 South, Range 25 East,
 Insofar as said lease covers
 Section 5: SW/4 SW/4,
 Limited to Rights from Surface to 8,655'
 Eddy County, New Mexico
 Type Interest: Leasehold
 File No.: NM-306-01

Number 28:

Serial No.: K-3200-1
 Date: April 16, 1963
 Recorded: Book 114, Page 294, Oil and Gas Records, Eddy County Records
 Lessor: State of New Mexico
 Lessee: Richfield Oil Corporation
 Land Covered: Township 21 South, Range 26 East,
 Section 34: SW/4,
 Limited to Rights from Surface to the Base of
 the Morrow Formation
 Eddy County, New Mexico
 Type Interest: Leasehold
 File No.: NM-323-01

ROYALTY, MINERALS AND SURFACE INTEREST**Number 29:**

Date: May 1, 1991
 Recorded: Book 100, Page 838, Deed Records, Eddy Co. Records
 Grantor: Elizabeth M. Rice and Francis R. Laughlin
 Grantee: Hayes Properties, Inc.
 Land Covered: Township 22 South, Range 26 East,
 Section 10: E/2 NE/4;
 Section 11: W/2 NW/4,
 Eddy Co., NM
 Type Interest: Surface and Minerals
 File No.: NM-395-90