

**STATE OF NEW MEXICO**

**ENERGY, MINERALS AND NATURAL  
RESOURCES DEPARTMENT**

**OIL CONSERVATION**

**CASE #: 14308**

**EXHIBIT 2**

## CONVEYANCE, ASSIGNMENT AND BILL OF SALE

THIS CONVEYANCE, ASSIGNMENT and BILL OF SALE (the "Conveyance") from Eagle Oil & Gas Co. whose address is 5750 Pineland, Suite 200, Dallas, Texas 75231, W.K. Byrom whose address is Box 147, Hobbs, New Mexico 86240, ZNAQ, Inc., P.O. Box 73406, Houston, Texas 77275, Mondo Oil & Gas Co. whose address is P.O. Box 2208, Roswell, New Mexico 88202, Internorth, Inc. whose address is P.O. Box 2267, Midland, Texas 79702, Lawbar Petroleum, Inc. whose address is 31243 Ventura Blvd., Suite 221, Woodland Hills, California 91364, Martin, Williams, Judson whose address is 401 West Illinois, Suite 1100, Midland, Texas 79701, Larry Moore whose address is 3602 Cedar Elm Lane, Wichita Falls, Texas 76308, N. Central CSG Pullers, Inc. whose address is P.O. Box 540, Graham, Texas 76046, R.L. Paterson whose address is P.O. Box 8, Douglas, Wyoming 82633, Samadan Oil Corp. whose address is 10 Dasta Drive, Suite 460 East, Midland, Texas 79705, and James Cleo Thompson and James Cleo Thompson, Jr. whose address is 4500 NCNB Center, Tower II, Dallas, Texas 75201 for all purposes (hereinafter called "Assignor") to Cheyenne Resources whose address is P.O. Box 1813, Midland, Texas 79702 ("Assignee"), delivered and effective at 7:00 a.m. local time at the location of the Properties (as hereinafter defined on June 1, 1990 (the "Effective Date").

## WITNESSETH:

For the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration, the receipt of which is hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER and DELIVER unto Assignee all of the following:

A. All right, title, interest or estate of Assignor in and to the oil, gas, and mineral properties, interests, and estates described or referred to in Exhibit "A" attached hereto and made a part hereof for all purposes, together with each kind and character of title, interest or estate now vested in Assignor in and to any and all working interests, leasehold interests, overriding royalty interests, mineral interests, royalty interests, net profits interests, oil payments, production payments, carried interests and all other properties or interests of every kind or character which relate to any of the oil and gas properties listed on Exhibit "A" hereto, whether such right, title, interest or estate be under or by virtue of a lease, a unitization or pooling agreement, a unitization or pooling order, a mineral deed, a royalty deed, an operating agreement, a division order, a transfer order, a farmout agreement, a fee simple conveyance or any other type of contract, conveyance or instrument or under any other type of claim or title, legal or equitable, recorded, even though Assignor's interests may be incomplete or incorrectly described on Exhibit "A" hereto, all as same shall be enlarged by the passage of time or by the discharge of payments out of production or by the removal of any charges or encumbrances to which any of same are subject;

B. All contractual rights, including rights under permits, licenses, rights-of-way, easements, leases, surface leases, gas sales agreements, processing agreements, farm-out agreements, farm-in agreements, operating agreements, transportation agreements, division orders, accounts, accounts receivable, causes of action against any third parties, and other contracts, agreements, or instruments relating to or affecting the properties and interests described on Exhibit "A";

RECEPTION  
9011196

Eagle Oil & Gas Co.  
5750 Pineland Ste 200  
Dallas TX 75231

Oil Conservation Division  
Case No. 14308  
Exhibit No. 2

Conveyance, Assignment  
Page 2

C. All oil, gas casinghead gas, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products separated, settled and dehydrated therefrom and all products refined therefrom, including without limitation, kerosene, liquified petroleum gas, refined lubricating oils, diesel fuel, drip gasoline and natural gasoline and all other minerals ("Hydrocarbons") in, under, upon, produced or to be produced or which may be produced, saved or sold from and which may be attributable to, the oil and gas properties, interests and estates listed on Exhibit "A", including without limitation, all oil in tanks and all rents issues, profits, proceeds, products, revenues, and other income arising from or attributable to the oil and gas properties and estates listed on Exhibit "A" and Assignor's interests therein; and

D. Assignor's undivided interests in and to all of the personal property, surface or subsurface machinery, equipment, facilities, supplies, fixtures, improvements or other property of whatsoever kind or nature now or hereafter located on or under any of the oil and gas properties, interests and estates listed on Exhibit "A" or on a unit including all or part of the oil and gas properties, interests and estates listed on Exhibit "A" or now or hereafter used, held for use or useful in connection with the exploration, development, operations, production, treatment, storage, processing or transportation of Hydrocarbons produced or to be produced from or attributable to the oil and gas properties, interests and estates listed on Exhibit "A", including, but not by way of limitation, all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumps, pumping units and engines, christmas trees, derricks, separators, gun barrels, flow lines, tanks, tank batteries, gas systems (for gathering, treating, compression, disposal or injection), chemicals, solutions, water systems (for treating, disposal and injection), pipe, pipelines, meters apparatus, boilers, compressors, liquid extractors, connectors, valves, fittings, power plants, poles, lines, cables, wires, transformers, starters and controllers, machines shops, tools, machinery and parts, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading docks, loading racks and shipping facilities, fixtures, and other appurtenances, appliances and properties of every kind and character, movable or immovable together with all improvements, betterments and additions, accessions and attachments thereto and replacements thereof. Assignor has not made and does not hereby make, any representation, warranty, or covenant, express or implied, with respect to the merchantability, condition, quality, durability, design, operation, fitness for use, or suitability of the equipment, or any other representation, warranty, or covenant except the warranty as to ownership as herein above stated, and the equipment is being sold hereunder on an as-is, where-is basis.

All of the foregoing leases, interests, rights and properties described in paragraphs A through D above are collectively called the "Properties". The term "minerals" as used herein includes with limitation oil and gas, natural gas, sulphur, coal, lignite, carbon dioxide, helium, nitrogen and uranium regardless of the method utilized in mining or producing any such substances.

ASSIGNOR HAS NOT MADE AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT EXCEPT THE WARRANTY AS TO OWNERSHIP AS HEREIN ABOVE STATED, AND THE EQUIPMENT IS BEING SOLD HEREUNDER ON AN AS-IS, WHERE-IS BASIS.

Conveyance, Assignment  
Page 3

All of the terms, provisions, covenants and agreements herein contained shall extend to and be binding upon the parties hereto, their respective successors and assigns.

Assignee expressly assumes all liabilities and indemnifies Assignor against any claims of any nature whatsoever including but not limited to the plugging of any wells, restoring the surface locations as required by applicable agreements and complying with any regulatory requirements relating to the land herein assigned as described on Exhibit "A", attached hereto.

Assignors hereby agree to execute and deliver to Assignee all such other additional instruments, notices, division orders, transfer orders and other documents and to do all such other and further acts and things as may be necessary to more fully and effectively grant, convey and assign to Assignee the Properties conveyed hereby or intended so to be.

This Agreement may be executed in counterparts, and each counterpart, for all purposes, is to be deemed an original. To make any proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

ASSIGNOR:

ATTEST:  
WITNESS:

BY: [Signature]

Name \_\_\_\_\_

Title \_\_\_\_\_

WITNESS:

~~XXXXXXXXXXXXXXXXXXXX~~  
EAGLE I

BY: [Signature]

Name PAT S. BOLIN

Title PARTNER

Eagle I, a general partnership, known prior to May 1, 1988, as Eagle Oil & Gas Co., a general partnership.

W.K. Byrom

ATTEST:

BY: \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

ENAC, INC.

BY: \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Conveyance. Assignment.  
Page 12

"EXHIBIT "A"  
TO THAT CERTAIN CONVEYANCE, ASSIGNMENT AND  
BILL OF SALE DATED BETWEEN EAGLE  
OIL & GAS CO. AND CHEYENNE RESOURCES

Lots 1, 2, 3, 4 (W/2 W/2) and E/2 W/2 of Section 30 Township 16 South, Range 28 East, NMPM Eddy County, New Mexico containing 330.92 acres more or less specifically limited to production from the wellbore only of the Crow Flats Federal Com No. 1 Well from the top of the San Andres formation at approximately 5270 feet to the base of the Morrow formation at approximately 9557 feet.

Assignors expressly reserve all rights above the San Andres formation and below the Morrow formation and Assignor further expressly reserves all depth rights as to the above described acreage for any wells other than the Crow Flats Federal Com No. 1 Well.

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the  
30 day of November, A.D. 19 90 at 3:03 o'clock P. M., and duly recorded  
in BOOK 82 PAGE 355 of the Eddy County Records.  
KAREN DAVIS, County Clerk By Debra Norris Deputy