

STATE OF NEW MEXICO

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COUNTY OF LEA

22244

ASSIGNMENT AND BILL OF SALE

2/25/98

*for
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THIS ASSIGNMENT AND BILL OF SALE, effective as of 7:00 a.m. at the location of the Properties on ~~November~~ ^{March} 1, 1998 ("Effective Time") is between APACHE CORPORATION, a Delaware corporation, ("Assignor") with offices at 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056-4400 and REDROCK OPERATING LTD., CO., a limited liability company, ("Assignee") with offices at Post Office Box 140505, Dallas, TX 75214.

RECITALS

1. Assignor owns an interest in the oil and gas leases described on Exhibit A (the "Leases"), together with the oil and gas wells thereon (the "Wells").
2. Assignor owns an interest in certain personal property, equipment and fixtures located on or about the Leases and used in connection with operation of the Leases (the "Equipment") The Equipment shall not include any tools, or other equipment temporarily located on the Leases.
3. Assignor's interest in the Leases are benefited and burdened by rights and obligations existing under certain contracts and agreements (the "Contracts"), including, but not limited to, operating agreements, unitization agreements, pooling agreements, declarations of pooling or unitization, farm out agreements, rights of way, easements, surface agreements, assignments, gas sale contracts and gas processing contracts.
4. Assignor is entitled to receive oil, gas, casinghead gas, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons, products refined and manufactured therefrom, other minerals, and the accounts and proceeds from the sale of all of the foregoing (the "Production") under the terms of the Leases and the Contracts.
5. Assignor maintains files, records, data, including geophysical and seismic data and other documentary information regarding the Leases, the Wells, the Equipment, the Contracts, and the Production, (the "Data"). The Data shall not include any confidential information which, if disclosed, would cause Assignor to breach any contract or agreement.

The Leases, Wells, Equipment, Contracts, Production and Data are all collectively referred to as the "Properties".

6. Assignor agrees to assign all right, title and interest of Assignor in the Properties to Assignee.

ASSIGNMENT

For one hundred dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, transfers, conveys and assigns to Assignee, all of Assignor's right, title and interest in and to the Properties, to have and to hold unto Assignee, its successors and assigns, forever.

This Assignment and Bill of Sale is made without warranty of title, either express or implied. This Assignment and Bill of Sale is made and accepted subject to all burdens, encumbrances, contracts and agreements which are of record to the extent that same are in force and effect and affect the Properties.

IT IS UNDERSTOOD AND AGREED THAT ASSIGNEE HAS INSPECTED THE WELLS, LEASES, EQUIPMENT AND PRODUCTION AND HAS SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, AND THAT ASSIGNEE ACCEPTS ALL OF THE WELLS, LEASES, EQUIPMENT AND PRODUCTION IN THEIR "AS IS, WHERE IS, WITH ALL FAULTS" CONDITION WITHOUT ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED AS TO QUALITY, MERCHANTABILITY, OR FITNESS FOR ANY USE WHATSOEVER.

ASSIGNEE SHALL (I) ASSUME ALL LIABILITY AND COSTS WITH REGARD TO THE LEASES, EQUIPMENT AND PRODUCTION CONTAINING HAZARDOUS MATERIALS, INCLUDING BUT NOT LIMITED TO NATURALLY OCCURRING RADIOACTIVE MATERIAL (NORM), NOT BEING IN COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS OR PERMITS AND THE EXISTENCE OR PRESENCE OF ADVERSE PHYSICAL CONDITIONS, INCLUDING BUT NOT LIMITED TO UNKNOWN OR ABANDONED OIL AND GAS WELLS, WATER WELLS, SUMPS AND PIPELINES THAT MAY NOT HAVE BEEN REVEALED BY ASSIGNEE'S INVESTIGATION; (II) COMPLY WITH ALL LAWS AND GOVERNMENTAL REGULATIONS WITH RESPECT TO ALL OPERATIONS ON THE LEASES, INCLUDING ABANDONMENT OF WELLS, THE COMPLIANCE WITH LAWS OR RULES REGARDING THE ENVIRONMENT AND REGARDING INACTIVE OR UNPLUGGED WELLS, INCLUDING BONDING REQUIREMENTS, AND SURFACE WORK AS SPECIFIED IN THE LEASES OR APPLICABLE LAW OR REGULATION; AND (III) HEREBY EXPRESSLY AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD ASSIGNOR AND ITS EMPLOYEES FREE AND HARMLESS FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, CLAIMS, DEMANDS, LITIGATION COSTS, ATTORNEYS FEES, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER ARISING OUT OF, INCIDENT TO, OR IN CONNECTION WITH THE PROPERTIES, INCLUDING PLUGGING REQUIREMENTS AND BONDING REQUIREMENTS, WHETHER EXISTING BEFORE OR AFTER THE EFFECTIVE TIME.

IN WITNESS WHEREOF, the Assignor and Assignee have caused this Assignment and Bill of Sale to be executed on the date of their respective acknowledgments set forth below, to be effective, however as of the Effective Time.

ASSIGNOR:

APACHE CORPORATION



Marjorie Lofthouse
Attorney-in-Fact

ASSIGNEE:

REDROCK OPERATING LTD., CO.,
a limited liability company

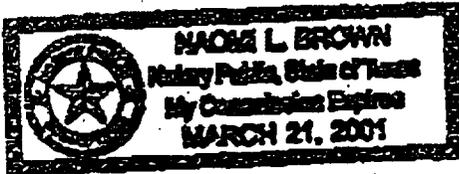


Tim Cason
Partner

STATE OF TEXAS §
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COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 16th day of February 1998 by **MARJORIE LOFTHOUSE** as Attorney-in-Fact of **APACHE CORPORATION** a Delaware corporation, on behalf of said corporation.

WITNESS my hand and official seal.



Naomi Brown
Notary Public, State of Texas

STATE OF TEXAS §
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COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 25th day of Feb 1998 by **TIM CASHON** as Partner of **REDROCK OPERATING LTD., CO.**, a limited liability company, on behalf of said company.

WITNESS my hand and official seal.

Michele Lowell
Notary Public, State of Texas

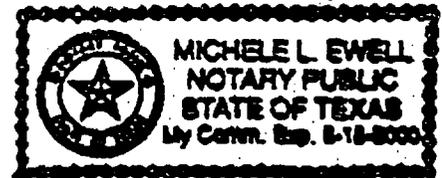


EXHIBIT "A"

LEASE #	LESSOR	LESSOR TRACT #	LESSEE	DATE	RIGHTS	RECORDING BOOK/PAGE
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STATE : NM
COUNTY : LEA

128397	ST NM D-635		HUMBLE OIL AND REFINING CO.	6/6/32	OG	
NM5016	MISC NEW MEXICO					
01	Twp / Ar / Rst: 22 3	Rng / Blk: 34E	Sec / Abs / Sec: 12	E2		

3842084	ST NM K-3592-3		S L PARHAM	6/17/63	OG	
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NM5003	GRAMA RIDGE					
01	Twp / Ar / Rst: 21S	Rng / Blk: 34E	Sec / Abs / Sec: 34			

NE, FROM THE SURFACE DOWN TO THE TOP OF THE SILURIAN FORMATION

NM5003	GRAMA RIDGE					
02	Twp / Ar / Rst: 21S	Rng / Blk: 34E	Sec / Abs / Sec: 34			

NW, FROM THE SURFACE DOWN TO THE TOP OF THE SILURIAN FORMATION, SAVE & EXCEPT THE INTEREST IN & TO THE STRATIGRAPHIC EQUIVALENT OF THAT PORTION OF THE MORROW FORMATION AS IDENTIFIED ON SCHUMBERGER SONIC LOG-GAMMA RAY LOG BETWEEN THE DEPTHS OF 12722 & 13208' IN THE SHELL OIL COMPANY STATE GRA #1 WELL LOCATED 1880' FNL & 660' FWL OF SEC 3-22S-34E, LEA COUNTY, NM, SAID INTERVAL BEING THE UNITIZED FORMATION IN THE GRAMA RIDGE MORROW UNIT.

3817045	ST NM E-9639		GULF OIL CORPORATION	12/20/55	OG	
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NM5003	GRAMA RIDGE					
01	Twp / Ar / Rst: 21S	Rng / Blk: 34E	Sec / Abs / Sec: 34			

SE, FROM THE SURFACE DOWN TO THE TOP OF THE SILURIAN FORMATION

NM5003	GRAMA RIDGE					
02	Twp / Ar / Rst: 21S	Rng / Blk: 34E	Sec / Abs / Sec: 34			

SW, FROM THE SURFACE DOWN TO THE TOP OF THE SILURIAN FORMATION, SAVE & EXCEPT THE INTEREST IN & TO THE STRATIGRAPHIC EQUIVALENT OF THAT PORTION OF THE MORROW FORMATION AS IDENTIFIED ON SCHUMBERGER SONIC LOG-GAMMA RAY LOG BETWEEN THE DEPTHS OF 12722 & 13208' IN THE SHELL OIL COMPANY STATE GRA #1 WELL LOCATED 1880' FNL & 660' FWL OF SEC 3-22S-34E, LEA COUNTY, NM, SAID INTERVAL BEING THE UNITIZED FORMATION IN THE GRAMA RIDGE MORROW UNIT.

3812040	USA NM-03312		MARY W GOODPASTURE	4/1/58	OG	
NM5003	GRAMA RIDGE					

STATE, COUNTY : NM, LEA, Page 1

EXHIBIT "A"

222A

RECORDING BOOK/PAGE

RIGHT &

DATE

LESSEE

LESSOR

TRACT #

01 Twp / Ar / Rel: 22S Rng / Blk: 34E Sec / Abs / Sec: 10

W2 & SE

CHARLES H QUINN

4/1/60

010

USA NM-06943

GRAMA RIDGE

01 Twp / Ar / Rel: 22S Rng / Blk: 34E Sec / Abs / Sec: 10

NE

HADSON PETROLEUM (USA), INC.

9/21/67

ROW

USA NM-60400

GRAMA RIDGE

01

A WELL ACCESS ROAD WITH A TOTAL LENGTH OF 1.572 MILES (503.03 RODS) IN:

Twp / Ar / Rel: 22S Rng / Blk: 34E Sec / Abs / Sec: 9

NESE & S2SE

Twp / Ar / Rel: 22S Rng / Blk: 34E Sec / Abs / Sec: 10

N2NE, SWNE, SENW & N2SW



STATE OF NEW MEXICO
COUNTY OF LEA
FILED

MAR 23 1998
9:32
By H. B. Deputy
For Charles Lea County Clerk