

ASSIGNMENT OF OIL AND GAS LEASES

The undersigned, for consideration paid, hereby assigns to TMBR/Sharp Drilling, Inc., whose address is PO Box 10970, Midland, Texas 79702, all of its right, title and interest in and to those certain oil and gas leases dated March 27, 2001 from Madeline Stokes and Erma Stokes Hamilton in favor of James D. Huff recorded in Book 1084, Pages 282 and 285, respectively, of the Lea County, New Mexico records, as to all of the lands and depths covered thereby, without warranty of title.

EXECUTED this 14th day of December, 2002, effective as of the date of first production from the Blue Fin 24-1 Well located in the W/2 Section 24, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico at 7:00 o'clock a.m. MST.

DAVID H. ARRINGTON OIL & GAS, INC.

By: [Signature]
David H. Arrington, President

STATE OF TEXAS)
)ss.
COUNTY OF MIDLAND)

This instrument was acknowledged before me on December 19, 2002, by David H. Arrington, President of David H. Arrington Oil & Gas, Inc., a Texas corporation.

[Signature]
Notary Public

My Commission Expires:
12-7-03



FIFTH JUDICIAL DISTRICT COURT
STATE OF NEW MEXICO
COUNTY OF LEA

TMBR/SHARP DRILLING, INC., FUEL
PRODUCTS, INC., AMERISTATE OIL &
GAS, INC., THOMAS BEALL, MARK
NEARBURG, LOUIS MAZZULLO,
F. HOWARD WALSH, JR., JADE RESOURCES,
INC., CHI ENERGY, INC.
and THOMAS C. BROWN,

Plaintiffs,

v.

No. CV- 2001-315C

DAVID H. ARRINGTON OIL & GAS,
INC., JAMES D. HUFF, and OCEAN
ENERGY, INC.,

Defendants.

STIPULATION OF DISMISSAL

Plaintiffs TMBR/SHARP DRILLING, INC., AMERISTATE OIL & GAS, INC., FUEL PRODUCTS, INC., THOMAS BEALL, MARK NEARBURG, LOUIS MAZZULLO, F. HOWARD WALSH, JR., JADE RESOURCES, INC., CHI ENERGY, INC. and THOMAS C. BROWN, and Defendants DAVID H. ARRINGTON OIL & GAS. INC., JAMES D. HUFF, and OCEAN ENERGY, INC., through their counsel of record, hereby stipulate to the dismissal of Plaintiffs' causes of action against said Defendants in this cause with prejudice. All costs will be borne by the party incurring the same.

Stipulation of Dismissal - Page 1

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FIRST JUDICIAL DISTRICT COURT
COUNTY OF SANTA FE
STATE OF NEW MEXICO

DAVID H. ARRINGTON OIL AND GAS, INC.

Appellant,

v.

No. D-101-CV-2002-1391

THE NEW MEXICO OIL CONSERVATION COMMISSION

Appellee.

STIPULATION OF DISMISSAL

Appellant, David H. Arrington Oil and Gas, Inc. and Appellee, THE NEW MEXICO OIL CONSERVATION COMMISSION, through their counsel of record, hereby stipulate to the dismissal of Appellant's appeal against said Appellee in this cause with prejudice.

Respectfully submitted,

MILLER STRATVERT P.A.

By: _____


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Approved telephonically 01-09-2003

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