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STATE OF: NEW MEXICO §

COUNTY OF: LEA §

DEED, ASSIGNMENT AND BILL OF SALE

THIS DEED, ASSIGNMENT AND BILL OF SALE is made and entered into effective the 1st day of April, 2002 at 7:00 a.m. Central Standard Time (the "Effective Time") by and between **Devon Energy Production Company, L.P.**, an Oklahoma limited partnership, ("DEPCO") and **Devon SFS Operating, Inc.**, a Delaware corporation, ("DEVON SFS") with offices at 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102-8260, collectively hereinafter referred to as "Grantor", and **Merit Partners, L.P., Merit Energy Partners III, L.P., and Merit Energy Partners D-III, L.P.**, (in the following proportions; Merit Partners, L.P. - 94.0%, Merit Energy Partners III, L.P. - 2.5%, and Merit Energy Partners D-III, L.P. - 3.5%), with offices at 12222 Merit Drive, Suite 1500, Dallas, TX 75251, collectively hereinafter referred to as "Grantee".

WITNESSETH:

THAT WHEREAS, Grantor and Grantee have entered into a Purchase and Sale Agreement dated as of March 28, 2002 (the "Agreement") which provides for the conveyance to Grantee of all of Grantor's right, title, and interest in and to the following described properties, rights and interests (the "Assets") further described in Exhibit A and Exhibit B, all of such right, title and interest being hereinafter referred to as the "Properties".

NOW THEREFORE, for and in the consideration of the sum of \$ and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor does hereby grant, bargain, sell, assign and convey unto Grantee in the proportions described above, subject to the terms, reservations, waivers and provisions as hereinafter set forth,

All of Grantor's right, title and interest in, to and under, or derived from the Assets (a) through (f) below:

I DEVON
INSTRUMENT PREPARED BY JIM STRAWN
DEVON SFS OPERATING, INC AND DEVON ENERGY PRODUCTION COMPANY, L.P.
20 NORTH BROADWAY, OKLAHOMA CITY, OK 73102

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LEA, NEW MEXICO

(a) the oil and gas leasehold interests, working interests, royalty interests, overriding royalty interests, reversionary interests, mineral interests, production payments, net profits interests, rights to take royalties in-kind, fee interests and surface interests or other interests in production of oil, gas or other minerals which are, and only to the extent they are associated with the interests described in Exhibit "A";

(b) all of the presently existing and valid unitization, communitization and pooling declarations, orders, and agreements (including all units formed by voluntary agreement and those formed under the rules, regulations, orders or other official acts of any governmental entity or tribal authority having appropriate jurisdiction) to the extent they relate to any of the interests which are described in Exhibit "A", or the production of oil, gas or hydrocarbon and non-hydrocarbon substances attributable thereto;

(c) all of the presently existing and valid oil sales contracts, casinghead gas sales contracts, gas sales contracts, processing contracts, gathering contracts, transportation contracts, easements, rights-of-way, servitudes, franchise, surface leases, subsurface leases, permits or licenses of any nature owned, held or operated in connection with operations, farm-out contracts, farm-in contracts, balancing contracts (including but not limited to gas imbalances), suspense funds, operating agreements, areas of mutual interest, and other contracts, agreements and instruments (to the extent said contracts are transferable) to the extent they relate to any of the interests which are described in Exhibit "A", or the production of oil, gas or other hydrocarbon and non-hydrocarbon substances attributable thereto;

(d) the personal property, improvements, fixtures, facilities, wells (whether producing, plugged and abandoned, shut-in, injection, disposal or water supply) including those set forth on Exhibit "B", gathering lines, flow lines, injection lines, pipelines, tanks, boilers, buildings, machinery, equipment (surface and downhole), inventory, pipelines, utility lines, power lines, telephone lines, roads and other appurtenances, to the extent the same are situated upon and used or held for use by Grantor in connection with the ownership, operation, maintenance or repair of the interests which are described in Exhibit "A", or the production of oil, gas or other hydrocarbon and non-hydrocarbon substances attributable thereto;

(e) (optional) the proprietary seismic, geologic or geophysical information and data, if any, to the extent the same relates to any of the interests which are described in Exhibit "A", or the production of oil, gas or hydrocarbon and non-hydrocarbon substances attributable thereto, and/or insofar as spec or other seismic, geologic or other geophysical

information and data licensed to Grantor and relative to the assigned interests and premises all only to the extent assignable;

(f) any maps, reports and other written material relating to the Assets, including without limitation, lease files, division order files, property records, contract files, operations files, copies of tax and accounting records and files, well files, engineering files, geological and/or geophysical files, geological and geophysical maps, core analyses and hydrocarbon analyses, well logs, mud logs, core data and field studies but not any geophysical or seismic data or geophysical or seismic information to the extent Grantor considers same confidential or proprietary or which Grantor cannot provide Grantee because of third-party restrictions.

This Deed, Assignment and Bill of Sale is made subject to the terms and conditions of the Agreement, including, without limitation, the obligations of the assumption of liabilities, indemnities, and other obligations. In the event of a conflict between the provisions hereof, and the provisions of the Agreement, the provisions of the Agreement shall control.

THIS DEED, ASSIGNMENT AND BILL OF SALE IS EXECUTED WITHOUT ANY WARRANTY OF TITLE, EITHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION AS TO THE MERCHANTABILITY OF ANY OF THE EQUIPMENT OR OTHER PERSONAL PROPERTY INCLUDED IN THE PROPERTIES OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, AND WITHOUT ANY OTHER EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER, PROVIDED HOWEVER, THAT GRANTOR REPRESENTS AND WARRANTS THAT IT HAS NOT PREVIOUSLY CONVEYED AND SHALL WARRANT AND DEFEND TITLE TO THE PROPERTIES AGAINST THE LAWFUL CLAIMS AND DEMANDS OF ALL PERSONS WHOMSOEVER CLAIM THE SAME OR ANY PART THEREOF BY, THROUGH OR UNDER GRANTOR, BUT NOT OTHERWISE. SUBJECT TO THE TERMS AND CONDITIONS OF THE AGREEMENT IT IS UNDERSTOOD AND AGREED THAT GRANTEE SHALL HAVE INSPECTED THE PROPERTIES FOR ALL PURPOSES, INCLUDING WITHOUT LIMITATION FOR THE PURPOSE OF DETECTING THE PRESENCE OF NATURALLY OCCURRING RADIOACTIVE MATERIAL (HEREINAFTER REFERRED TO AS "NORM") AND MAN MADE MATERIAL FIBERS (HEREINAFTER REFERRED TO AS "MMM") AND SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, INCLUDING, BUT NOT LIMITED TO, CONDITIONS RELATED TO THE PRESENCE, RELEASE, OR DISPOSAL OF HAZARDOUS SUBSTANCES, AND THAT GRANTEE IS RELYING SOLELY UPON THE RESULTS OF SUCH INSPECTION OF THE PROPERTIES AND SHALL ACCEPT ALL OF THE SAME IN THEIR "AS IS, WHERE IS" CONDITION. SUBJECT TO THE TERMS AND CONDITIONS OF THE AGREEMENT GRANTOR DISCLAIMS ALL LIABILITY ARISING IN CONNECTION WITH THE PRESENCE

OF NORM OR MMMF ON THE PROPERTIES AND IF TESTS HAVE BEEN CONDUCTED BY GRANTOR FOR THE PRESENCE OF NORM OR MMMF, GRANTOR DISCLAIMS ANY WARRANTY RESPECTING THE ACCURACY OF SUCH TESTS OR RESULTS. IN ADDITION, GRANTOR AND ITS CONSULTANTS SHALL MAKE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY DATA, INFORMATION OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED GRANTEE IN CONNECTION WITH THE PROPERTIES, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE PROPERTIES OR THE ABILITY OF THE PROPERTIES TO PRODUCE HYDROCARBONS. SUBJECT TO THE TERMS AND CONDITIONS OF THE AGREEMENT ANY AND ALL SUCH DATA, INFORMATION AND OTHER MATERIALS FURNISHED BY GRANTOR IS PROVIDED TO GRANTEE AS A CONVENIENCE AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT GRANTEE'S SOLE RISK. GRANTEE EXPRESSLY WAIVES THE PROVISIONS OF CHAPTER XVII, SUBCHAPTER E, SECTIONS 17.41 THROUGH 17.63, INCLUSIVE (OTHER THAN SECTION 17.555, WHICH IS NOT WAIVED), VERNON'S TEXAS CODE ANNOTATED, BUSINESS AND COMMERCE CODE (THE "DECEPTIVE TRADE PRACTICES ACT") AND IF ANY OF THE PROPERTIES ARE LOCATED IN LOUISIANA AND ARE SUBJECT TO LOUISIANA LAW, GRANTEE EXPRESSLY WAIVES THE WARRANTY OF FITNESS FOR INTENDED PURPOSES OR GUARANTEE AGAINST HIDDEN OR LATENT REDHIBITORY VICES UNDER LOUISIANA LAW, INCLUDING LOUISIANA CIVIL CODE ARTICLES 2520 (1870) THROUGH 2548 (1870) AND THE WARRANTY IMPOSED BY LOUISIANA CIVIL CODE ARTICLES 2476; WAIVES ALL RIGHTS IN REDHIBITION PURSUANT TO LOUISIANA CIVIL CODE ARTICLES 2420, ET SEQ; ACKNOWLEDGES THAT THIS EXPRESS WAIVER SHALL BE CONSIDERED A MATERIAL AND INTEGRAL PART OF THIS DEED, ASSIGNMENT AND BILL OF SALE AND THE CONSIDERATION THEREOF; AND ACKNOWLEDGES THAT THIS WAIVER HAS BEEN BROUGHT TO THE ATTENTION OF GRANTEE AND EXPLAINED IN DETAIL AND THAT GRANTEE HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO THIS WAIVER OF WARRANTY OF FITNESS AND/OR WARRANTY AGAINST REDHIBITORY VICES AND DEFECT FOR THE PROPERTIES. GRANTEE ACKNOWLEDGES THAT THIS EXPRESS WAIVER SHALL BE CONSIDERED A MATERIAL AND INTEGRAL PART OF THIS DEED, ASSIGNMENT AND BILL OF SALE AND THE CONSIDERATION THEREOF; AND ACKNOWLEDGES THAT THIS WAIVER HAS BEEN BROUGHT TO THE ATTENTION OF GRANTEE AND EXPLAINED IN DETAIL AND THAT GRANTEE HAS VOLUNTARILY AND KNOWINGLY CONSENTED TO THIS WAIVER.

Nothing herein shall be construed to create a partnership, a joint venture, an association, a trust, a mining partnership or other entity, nor to constitute Grantee and Grantor as agent for the other.

Grantee shall record this Deed, Assignment and Bill of Sale in each county and parish in which the Assets reside for the purpose of providing notice to all persons of the existence and burden of this Deed, Assignment and Bill of Sale.

IN WITNESS WHEREOF, this Deed, Assignment and Bill of Sale is dated and becomes effective the date as first set out above and is properly executed by the parties hereto as evidenced by the signatures below.

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LEA, NEW MEXICO

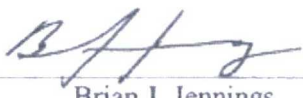
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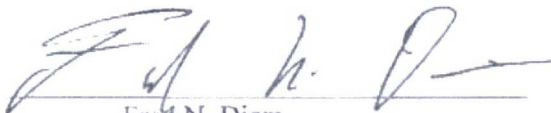
DEVON ENERGY PRODUCTION COMPANY, L.P.
BY: DEVON ENERGY MANAGEMENT
COMPANY, L.L.C., GENERAL PARTNER

By: 
Brian J. Jennings
Sr. Vice President

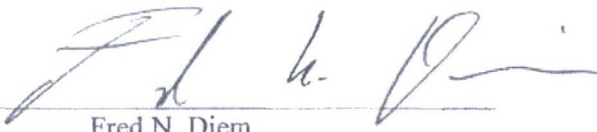
DEVON SFS OPERATING, INC.

By: 
Brian J. Jennings
Sr. Vice President

MERIT PARTNERS, L.P.
MERIT ENERGY PARTNERS III, L.P.
BY: MERIT ENERGY COMPANY, GENERAL PARTNER

By: 
Fred N. Diem
Vice President

MERIT ENERGY PARTNERS D-III, L.P.
BY: MERIT PARTNERS, L.P., GENERAL PARTNER
BY: MERIT ENERGY COMPANY, GENERAL PARTNER

By: 
Fred N. Diem
Vice President

STATE OF OKLAHOMA §

COUNTY OF OKLAHOMA §

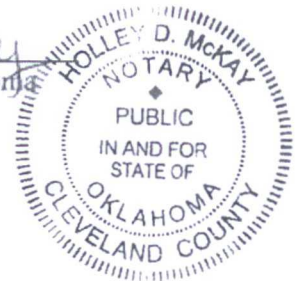
Be it known, that on this 27th day of June, 2002, before me, the undersigned authority, personally came and appeared Brian J. Jennings, to me personally known and known by me to be the Sr. Vice President of Devon Energy Management Company, L.L.C., a limited liability company, General Partner of Devon Energy Production Company, L.P., an Oklahoma Limited Partnership, and as Sr. Vice President of Devon SFS Operating, Inc., a Delaware Corporation who signed said document before me that he signed the above and foregoing document as his own free act and deed and as the free act and deed of the company, partnership, and corporation and for the uses and purposes therein set forth and apparent.

In witness whereof, the said appearer has signed these presents and I have hereunto affixed my hand and seal, together with the said witnesses on the day and date first above written.

March 13, 2004

My Commission Expires
Commission Number 00004514

Holley D. McKay
Notary Public, State of Oklahoma



STATE OF OKLAHOMA §

COUNTY OF OKLAHOMA §

Be it known, that on this 27th day of June, 2002, before me, the undersigned authority, personally came and appeared Fred N. Diem, to me personally known and known by me to be the Vice President of Merit Energy Company, on behalf of said corporation in its capacity as General Partner of Merit Energy Partners III, L.P., a Delaware limited liability partnership, and on behalf of said corporation in its capacity as General Partner of Merit Partners, L.P., a Delaware limited partnership, which is General Partner of Merit Energy Partners D-III, L.P., a Delaware limited partnership who signed said document before me that he signed the above and foregoing document as his own free act and deed and as the free act and deed of the corporation and for the uses and purposes therein set forth and apparent.

In witness whereof, the said appearer has signed these presents and I have hereunto affixed my hand and seal, together with the said witnesses on the day and date first above written.

March 13, 2004

My Commission Expires
Commission Number 00004514

Holley D. McKay
Notary Public, State of Oklahoma

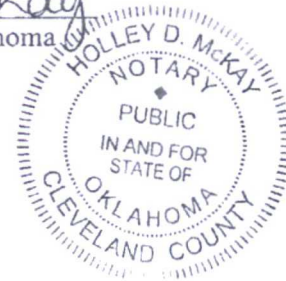


EXHIBIT B

Attached to and made a part of that certain Deed, Assignment and Bill of Sale by and between Devon Energy Production Company, L.P. and Devon SFS Operating, Inc., collectively "Grantor" and Merit Partners, L.P., Merit Partners III, L.P., and Merit Partners D-III, L.P., collectively "Grantee"

COUNTY & STATE: LEA, NEW MEXICO

FIELD	WELL ID	WELL NAME	ASSET TYPE	LOCATION	API	OPERATOR
DENTON	043942050	DICKINSON, B C. D' 5	WORKING INTEREST	035/014S/037E	300250517900	DEVON ENERGY PRODUCTION CO., LP
TEAS	103573000	GOVERNMENT N	WORKING INTEREST	019/029S/034E	300252312200	DEVON SFS OPERATING INC
TEAS	103573001	GOVERNMENT N 2	WORKING INTEREST	019/020S/034E	300252312200	DEVON SFS OPERATING INC
GRAYBURG JACKSON	098185101	KEEL-WEST WSW #01	WORKING INTEREST	031/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185020	KEEL-WEST WSW #02	WORKING INTEREST	031/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185030	KEEL-WEST WSW #03	WORKING INTEREST	031/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185050	KEEL-WEST WSW #05	WORKING INTEREST	029/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185060	KEEL-WEST WSW #06	WORKING INTEREST	029/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185070	KEEL-WEST WSW #07	WORKING INTEREST	028/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	09818507A	KEEL-WEST WSW #07A	WORKING INTEREST	028/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185080	KEEL-WEST WSW #08	WORKING INTEREST	029/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185090	KEEL-WEST WSW #09	WORKING INTEREST	029/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185100	KEEL-WEST WSW #10	WORKING INTEREST	028/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185110	KEEL-WEST WSW #11	WORKING INTEREST	028/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185013	KEEL-WEST WSW #13	WORKING INTEREST	031/015S/032E		DEVON ENERGY PRODUCTION CO., LP
GRAYBURG JACKSON	098185014	KEEL-WEST WSW #14	WORKING INTEREST	029/015S/032E		DEVON ENERGY PRODUCTION CO., LP
TEAS	043982000	MAHAFFEY ARC FED	WORKING INTEREST	014/020S/033E	300250173500	DEVON ENERGY PRODUCTION CO., LP
TEAS	043982011	MAHAFFEY ARC FED 1(BONE SPRNG	WORKING INTEREST	014/020S/033E	300250173500	DEVON ENERGY PRODUCTION CO., LP
LEA NORTHEAST	042467010	MALLON '27' FEDERAL #2	OVERRIDE ROYALTY INTEREST	027/019S/034E	300253265300	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	042449010	MALLON '27' FEDERAL #4	WORKING INTEREST	027/019S/034E	300253373700	MAGNUM HUNTER PRODUCTION INC
QUAIL RIDGE SOUTH	042470010	MALLON '29' FEDERAL #2	WORKING INTEREST	029/019S/034E	300253383500	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	045031010	MALLON '34' FEDERAL #1	OVERRIDE ROYALTY INTEREST	034/019S/034E	300253260500	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	042267010	MALLON '34' FEDERAL #10	WORKING INTEREST	034/019S/034E	300253278500	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	042376010	MALLON '34' FEDERAL #11	WORKING INTEREST	034/019S/034E	300253278600	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	045044010	MALLON '34' FEDERAL #12	WORKING INTEREST	034/019S/034E	300253278700	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	042274010	MALLON '34' FEDERAL #13	BPO ORRI	034/019S/034E	300253281500	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	042399010	MALLON '34' FEDERAL #15	OVERRIDE ROYALTY INTEREST	034/019S/034E	300253281700	MAGNUM HUNTER PRODUCTION INC
QUAIL RIDGE SOUTH	042396010	MALLON '34' FEDERAL #16	OVERRIDE ROYALTY INTEREST	034/019S/034E	300253281800	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	045035010	MALLON '34' FEDERAL #2	OVERRIDE ROYALTY INTEREST	034/019S/034E	300253260600	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	045036010	MALLON '34' FEDERAL #3	WORKING INTEREST	034/019S/034E	300253260700	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	045041010	MALLON '34' FEDERAL #4	OVERRIDE ROYALTY INTEREST	034/019S/034E	300253260500	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	042263010	MALLON '34' FEDERAL #7	WORKING INTEREST	034/019S/034E	300253278200	MAGNUM HUNTER PRODUCTION INC
LEA NORTHEAST	042266010	MALLON '34' FEDERAL #8	WORKING INTEREST	034/019S/034E	300253278300	MAGNUM HUNTER PRODUCTION INC

Wednesday, June 26, 2002

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