

SPECIAL WARRANTY DEED

That ANADARKO PETROLEUM CORPORATION, a Delaware corporation, whose address is P.O. Box 2497, Midland, Texas 79702 ("Grantor"), in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby GRANT, BARGAIN, SELL AND CONVEY unto CHASE OIL CORPORATION, a New Mexico corporation, whose address is P.O. Box 1767, Artesia, New Mexico 88211-1767 ("Grantee"), all of Grantor's right, title and interest in and to the following described real estate and premises located in Eddy County, New Mexico, together with all the improvements thereon and the appurtenances thereto (hereafter the "Property"):

THE SURFACE ESTATE ONLY OF TRACTS 1 AND 2:

CERTIFIED TO BE A TRUE AND CORRECT
COPY OF THE ORIGINAL
CURRIER ABSTRACT COMPANY, (NSL)
BY *[Signature]*

TRACT 1:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
Eddy County, New Mexico

SECTION 21: SW/4SW/4NE/4SW/4
AND
S/2NW/4SW/4NE/4SW/4, LESS The North 153.0 feet
of the S/2NW/4SW/4NE/4SW/4 of said Section 21,
as described in Quitclaim Deed recorded in
Record Book 368, page 608, records of Eddy
County, New Mexico.

(Note: Tract 1 being the same tract conveyed to Anadarko Petroleum Corporation by Assignment, Bill of Sale and Conveyance dated effective as of August 1, 1985 and recorded in Miscellaneous Book 252, page 552, records of Eddy County, NM.)

TRACT 2:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
Eddy County, New Mexico

SECTION 21: Lots 65, 66, 67, 68, and 69,
S/2NW/4SE/4NE/4SW/4, SE/4SW/4NE/4SW/4;
SW/4SE/4NE/4SW/4 and S/2NE/4SW/4NE/4SW/4 LESS
the North 153.0 feet of the West 130.0 feet of
the S/2NE/4SW/4NE/4SW/4 of said Section 21, as
described in Quitclaim Deed recorded in Record
Book 368, page 608, records of Eddy County,
New Mexico.

SAVING AND RESERVING unto Mildred Waters a life estate and unto Frank Waters an option as set out in that certain Life Estate Deed and Option recorded in Record Book 229, page 876, records of Eddy County, New Mexico.