

44

WITNESSETH:

"Subject Lease and Lands"); and

Inc. Shinnery Federal No. 1 Well.

interest earns a net 80% of 8/8 of production.

992067

The interest herein assigned is subject to all overriding royalties, production payments and other burdens on production validly created and existing of record and is further subject to that certain Farmout Agreement dated December 4, 1997, between Kenneth R. Owens, et ux., and Assignor which agreement contemplates the delivery of a net 80% revenue interest in the event that the farmee drills a successful well.

This Assignment is also subject to that certain Assignment of Operating Rights dated January 12, 1999 by and between Kenneth R. Owens, et ux. Sharon L. Owens, and Assignor, recorded in Book 341, page 772 of the Eddy County records.

Assignor has disclosed to Assignee that Assignor has working interest partners in the Subject Lease and Lands and the Shinnery Federal No. 1 Well whose ownership interests are not reflected of record. Assignor represents that it has the written authority from each working interest owner relative to the Subject Lease and Lands and the Shinnery Federal No. 1 Well to convey 100% of the working interest and operating rights described herein. Assignor agrees to execute such further instruments as may be necessary to vest Assignee with 100% interest in the operating rights relative to the Subject Lease and Lands, and 100% of the working interest, earning a net 80% revenue interest, relative to the Shinnery Federal No. 1 Well.

This Assignment is made without warranty of title, either express or implied by the Assignor, and Assignee assumes and agrees to perform all the covenants, stipulations and obligations of the lessee contained in or created by the Subject Lease.

TO HAVE and TO HOLD the herewith assigned interests unto Assignee, his successors and assigns, subject to the terms and provisions contained herein.

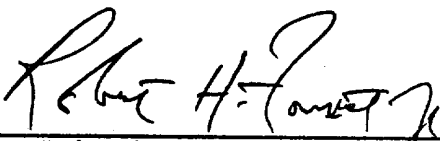
ASSIGNOR:

MOREXCO, INC.

By: 

Donald G. Becker, Jr.
President

ASSIGNEE:


Robert H. Forrest, Jr.

STATE OF NEW MEXICO)
COUNTY OF Eddy) ss.

The foregoing instrument was acknowledged before me this
23rd day of February, 1999, by Donald G. Becker, Jr.,
President of Morexco, Inc., a New Mexico corporation.


Notary Public

My Commission expires:

9/25/99

STATE OF NEW MEXICO)
COUNTY OF Eddy) ss.

The foregoing instrument was acknowledged before me this
27th day of February, 1999, by Robert H. Forrest, Jr.


Notary Public

My Commission expires:

9/25/99

STATE OF NEW MEXICO } ss
County of Eddy

FILED FEB 23 1999 FOR
3:44 P. RECORD

at _____ o'clock _____ M., and was duly
recorded in BOOK 344 PAGE 274
of the Records of Eddy County
Jean Etcheverry, County Clerk

By: Freida Unguiedez, Deputy