

INDEMNIFYING
NAVAJO REFINING COMPANY
OIL DIVISION ORDER

RECD NOV 05 2004

To: Navajo Refining Company
P O Box 159, Artesia, NM 88211-0159
Telephone: (505) 748-3311 or (505) 746-5302
Fax: (505) 746-5283

Effective Date: JUNE, 2004

Property Number/Name: 00041284 000 STATE CD #1 & COCKBURN A STATE #5
Sub: 002 COCKBURN A STATE #5

Operator: 900585 MACK ENERGY CORPORATION

Property Description:

LEA COUNTY NEW MEXICO

E-398

SE/4 NW/4 SECTION 32, TOWNSHIP 17 SOUTH, RANGE 33-EAST, SURFACE TO BASE OF ABO.

Owner Name	SEE ATTACHED EXHIBIT	Owner Number	
Owner	PLEASE DO NOT DETACH	Interest Type	
Address		Decimal Interest	

The undersigned certifies the ownership of their decimal interest in production or proceeds as described herein payable by Navajo Refining Company herein referred to as Navajo.

Navajo shall be notified, in writing, of any change in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Navajo is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed herein by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Navajo may accrue proceeds until the total amount equals \$100.00 or pay annually if the amount is greater than \$25.00, whichever occurs first, or as required by applicable state statute.

This Division Order does not amend any lease or operating agreement between the undersigned or the lessee or operator or any other contracts for the purchase of oil and gas.

In addition to the terms and conditions of this Division Order, the undersigned and the Payor may have certain statutory rights under the laws of the state in which the property is located.

SPECIAL CLAUSE: Per operator's pay listing.

It is understood that the crude oil under this Division Order for the STATE CD #1 #41284-001 is being commingled into the same tank battery as the COCKBURN A STATE #5 well lease #41284-002. By execution of this Division Order, the undersigned acknowledges that Navajo takes possession of the oil delivered, at the central battery location and has no independent means of verifying the source of oil delivered to it. For purposes of allocating such oil to each interest owner hereunder, the undersigned hereby authorizes Navajo to rely on statements of the source and quantity of all oil delivered hereunder, to be furnished by Mack Energy Corporation, its successors and assigns; provided that Navajo shall never be responsible for any quantity of oil in excess of that delivered to it hereunder nor for its reliance upon the information furnished regarding the source of such oil. In consideration of Navajo distributing proceeds under this Division Order, the undersigned does hereby relieve Navajo of any loss; claim or liability incurred by its good faith performance hereunder, including its attorneys fees, and shall indemnify Navajo for such purpose.

Signature

To L. C. Passah

Owner's Daytime Telephone

432-687-6600

Owner's Fax #

Oil Conservation Division

Case No.

Exhibit No.

3 14763

Federal Law requires you furnish your [redacted] withholding at the current rate and will not be refundable by Payor

Failure to comply will result in tax

jm

DATE: Fri Sep 17, 2004
TIME: 15:10:15

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 4 of 4

Lease: 00041284 Sub: 002 Name: COCKBURN A STATE #5
G/L Comp: 84 Division: 48 Period: 06-2004 Username: juanita
Operator: 900585 Name: MACK ENERGY CORPORATION

<u>Owner</u>	<u>Name</u>	<u>Division Of</u>	<u>Type</u>
		<u>Interest</u>	<u>Interest</u>
053794	TOM M RAGSDALE	0.05273437	WI
	P O BOX 10303		
	MIDLAND, TX 79702		

Interest Total: -----
1.00000000

DATE: Tue Jan 03, 2012
TIME: 16:58:42

HOLLY CORPORATION & SUBSIDIARIES
Payment History Detail Report (Long Format)

Dist Run: 3287 REPORT: 930
PAGE: 3

G/L Comp ALL All G/L Companies Acct Period From 01/970 To 12/9999
Division ALL ALL DIVISIONS Prod Period From 197001 To 999912
Owner 053794 TOM M RAGSDALE Run Number ALL
Lease 00041284 COCKBURN A & STATE CD Chk Date From 09/10/2004 To 03/20/2006
Pay Status ALL All Pay Status Sort/Subtotal By Lease
Ins Type ALL All Interest Types

GL	Lease/	Owner/	Prod/	P/	ChkDate/	Ave	Vol/	Tax Amt/	Net Amt/		
CO Div	Sub	Name	Addr	Name	ActPer	Y	Run No	Price	Gross Amt	EMPH/UPR	Net After EMPH
84 48	00041284	STATE CD #1STATE	053794	TOM M RAGSDALETON M	01/06	PA	03/20/06	5.45-	29.36-		318.08-
	001	RV			02/06	OR	206	347.44-	18.41-		299.67-
84 48	00041284	STATE CD #1STATE	053794	TOM M RAGSDALETON M	01/06	PA	03/20/06	26.93-	145.39-		1,574.46-
	001	RV			02/06	WI	206	1,719.85-	91.15-		1,483.31-
84 48	00041284	STATE CD #1STATE	053794	TOM M RAGSDALETON M	01/06	PA	03/20/06	5.50	30.06		325.49
	001	RV			02/06	UR	206	355.75	18.85		306.84
84 48	00041284	STATE CD #1STATE	053794	TOM M RAGSDALETON M	01/06	PA	03/20/06	27.67	148.82		1,612.12
	001	RV			02/06	WI	206	1,760.94	93.33		1,518.79
84 48	00041284	STATE CD #1STATE	053794	TOM M RAGSDALETON M	02/06	PA	03/20/06	4.45	22.73		246.29
	001	RV			02/06	OR	207	269.02	14.26		232.03
84 48	00041284	STATE CD #1STATE	053794	TOM M RAGSDALETON M	02/06	PA	03/20/06	22.00	112.55		1,219.12
	001	RV			02/06	WI	207	1,331.67	70.58		1,140.54
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	06/04	PD	09/20/04	12.75	39.91		426.85
	002	RV			08/04	OR	3906	476.76	32.18		484.67
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	07/04	PD	09/20/04	11.25	37.35		408.82
	002	RV			08/04	OR	3951	446.17	30.12		378.70
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	06/04	PD	09/20/04	64.55	202.08		2,211.61
	002	RV			08/04	WI	3906	2,413.69	162.92		2,048.69
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	07/04	PD	09/20/04	56.92	189.13		2,069.61
	002	RV			08/04	WI	3951	2,258.74	152.46		1,917.15
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	08/04	PD	09/20/04	12.65	46.63		510.39
	002	RV			08/04	OR	3970	557.02	37.60		472.79
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	08/04	PD	09/20/04	64.03	236.09		2,583.78
	002	RV			08/04	WI	3970	2,819.87	190.34		2,393.44
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	09/04	PD	10/20/04	11.13	42.63		462.13
	002	RV			09/04	OR	3990	504.76	34.07		428.06
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	09/04	PD	10/20/04	56.42	215.89		2,339.51
	002	RV			09/04	WI	3990	2,555.40	172.49		2,167.02
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	10/04	PA	11/20/04	12.02	53.05		574.97
	002	RV			10/04	OR	4029	628.02	42.39		532.58
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	10/04	PA	11/20/04	60.88	258.56		2,910.80
	002	RV			10/04	WI	4029	3,179.36	214.61		2,696.19
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	11/04	PA	12/20/04	11.58	47.32		512.87
	002	RV			11/04	OR	4063	560.19	37.81		475.06
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	11/04	PA	12/20/04	58.67	239.55		2,556.42
	002	RV			11/04	WI	4063	2,835.97	191.43		2,404.99
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	12/04	PA	01/20/05	12.74	45.45		492.65
	002	RV			12/04	OR	4091	538.10	12.29		460.36
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	12/04	PA	01/20/05	64.55	239.13		2,494.03
	002	RV			12/04	WI	4091	2,724.16	163.45		2,330.58
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	01/05	PA	02/20/05	13.54	51.86		562.13
	002	RV			01/05	OR	4130	613.99	36.84		525.29
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	01/05	PA	02/20/05	68.53	262.56		2,845.80
	002	RV			01/05	WI	4130	3,108.16	186.50		2,659.30
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALETON M	02/05	PA	03/20/05	13.66	53.99		585.22
	002	RV			02/05	OR	4176	639.21	38.35		546.87

DATE: Tue Jan 03, 2012
TIME: 16:58:42

HOLLY CORPORATION & SUBSIDIARIES
Payment History Detail Report (Long Format)

Dist Run: 3287 REPORT: 930
PAGE: 4

G/L Comp ALL All G/L Companies
Division ALL ALL DIVISIONS
Owner 053794 TOM M RAGSDALE
Lease 00041284 COCKBURN A & STATE CD
Pay Status ALL All Pay Status
Int Type ALL All Interest Types

Acct Period From 011970 To 129999
Prod Period From 197001 To 999912
Run Number ALL
Chk Date From 09/20/2004 To 03/20/2006
Sort/Subtotal By Lease

GL	Lease/ Co Div	Sub	Name	Owner/ Addr	Name	Prod/ ActPer	P/ I	CHKDate/ Run No	Ave Price	Vol/ Gross Amt	Ten Amt/ MMWR/WPT Amt	Net Amt/ Net After MMWR
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	02/05	PA	03/20/05		69.12	273.37	2,962.61
	002	RV				02/05	WI	4176		3,235.99	194.16	2,768.45
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	03/05	PA	04/20/05		12.38	55.31	599.56
	002	RV				03/05	OR	4201		654.87	39.29	560.27
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	03/05	PA	04/20/05		61.60	280.04	3,035.26
	002	RV				03/05	WI	4201		3,215.20	198.92	2,836.34
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	04/05	PA	05/20/05		12.07	52.11	564.79
	002	RV				04/05	OR	4346		616.90	37.01	527.78
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	04/05	PA	05/20/05		61.13	263.79	2,859.28
	002	RV				04/05	WI	4346		3,123.07	187.38	2,671.90
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	05/05	PA	06/20/05		13.04	52.16	565.33
	002	RV				05/05	OR	4388		617.49	37.05	528.28
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	05/05	PA	06/20/05		63.98	264.05	2,862.02
	002	RV				05/05	WI	4388		3,126.07	187.36	2,674.46
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	06/05	PA	07/20/05		13.13	59.96	649.95
	002	RV				06/05	OR	4410		709.91	42.59	607.36
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	06/05	PA	07/20/05		66.40	203.59	3,290.31
	002	RV				06/05	WI	4410		3,593.98	215.63	3,074.68
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	08/05	PA	09/20/05		12.52	66.58	721.67
	002	RV				08/05	OR	4541		788.25	47.30	674.37
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	08/05	PA	09/20/05		63.42	337.09	3,653.42
	002	RV				08/05	WI	4541		3,990.51	239.43	3,417.99
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	07/05	PA	10/20/05		10.13	49.03	531.42
	002	RV				09/05	OR	4586		580.45	34.83	496.59
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	07/05	PA	10/20/05		51.34	248.17	2,690.35
	002	RV				09/05	WI	4586		2,938.52	176.31	2,514.04
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	09/05	PA	10/20/05		12.16	65.59	710.60
	002	RV				09/05	OR	4592		776.19	46.57	664.03
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	09/05	PA	10/20/05		61.60	332.08	3,597.36
	002	RV				09/05	WI	4592		3,929.44	235.77	3,361.59
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	10/05	PA	11/20/05		11.38	58.93	638.45
	002	RV				10/05	OR	4635		697.38	41.84	596.61
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	10/05	PA	11/20/05		57.68	298.37	3,232.08
	002	RV				10/05	WI	4635		3,530.45	211.83	3,020.25
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	11/05	PA	12/20/05		12.31	59.93	649.28
	002	RV				11/05	OR	4828		709.21	42.55	606.73
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	11/05	PA	12/20/05		62.38	303.34	3,286.98
	002	RV				11/05	WI	4828		3,590.32	215.42	3,071.56
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	12/05	PA	01/20/06		12.30	59.98	649.87
	002	RV				12/05	OR	4		709.65	37.62	612.25
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	12/05	PA	01/20/06		62.34	303.64	3,289.97
	002	RV				12/05	WI	4		3,593.61	190.46	3,099.51
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	01/06	PA	02/20/06		12.24	65.96	714.65
	002	RV				01/06	OR	150		780.61	41.37	673.28
84 48	00041284	COCKBURN A STATE	053794	TOM M RAGSDALE	TOM M	01/06	PA	02/20/06		61.91	333.92	3,617.99
	002	RV				01/06	WI	150		3,951.91	209.45	3,408.54

DATE: Tue Jan 01, 2012
TIME: 16:58:41

HOLLY CORPORATION & SUBSIDIARIES
Payment History Detail Report (Long Format)

Dist Run: 3287 REPORT: 930
PAGE: 5

G/L Comp ALL All G/L Companies Acct Period From 011970 To 129999
Division ALL ALL DIVISIONS Prod Period From 197601 To 999911
Owner 053794 TOM H RAGSDALE Run Number ALL
Lease 00041284 COCKBURN A & STATE CD Chk Date From 09/20/2004 To 03/20/2006
Pay Status ALL All Pay Status Sort/Subtotal By Lease
Int Type ALL All Interest Types

GL	Lease/	Owner/	Prod/	F/	ChkDate/	Avg	Vol/	For Amt/	Net Amt/		
Co Div	Sub	Name	Addr	Name	ActPer	L	Run No	Price	Gross Amt	MMWH/WT Amt	Net After MMWH
04 48	00041284	COCKBURN A STATE	053794	TOM H RAGSDALE	01/06	PA	03/20/06		12.24-	65.96-	714.65-
	002		RV		02/06	OR	206		780.61-	41.37-	673.28-
04 48	00041284	COCKBURN A STATE	053794	TOM H RAGSDALE	01/06	PA	03/20/06		61.91-	333.92-	3,617.99-
	002		RV		02/06	WI	206		3,951.91-	209.45-	3,408.54-
04 48	00041284	COCKBURN A STATE	053794	TOM H RAGSDALE	01/06	PA	03/20/06		12.53	67.54	731.75
	002		RV		02/06	OR	206		799.29	42.36	689.39
04 48	00041284	COCKBURN A STATE	053794	TOM H RAGSDALE	01/06	PA	03/20/06		63.38	341.89	1,704.48
	002		RV		02/06	WI	206		4,045.37	214.45	3,490.02
04 48	00041284	COCKBURN A STATE	053794	TOM H RAGSDALE	02/06	PA	03/20/06		9.99	51.07	553.33
	082		RV		02/06	OR	207		604.40	32.03	521.30
04 48	00041284	COCKBURN A STATE	053794	TOM H RAGSDALE	02/06	PA	03/20/06		50.57	258.61	2,801.22
	002		RV		02/06	WI	207		3,059.83	162.17	2,639.05
04 48	00041284	STATE CD #2STATE	053794	TOM H RAGSDALE	10/04	PA	03/20/06		0.51	2.23	24.19
	003		RV		02/06	OR	4029		26.42	1.40	23.79
04 48	00041284	STATE CD #2STATE	053794	TOM H RAGSDALE	11/04	PA	03/20/06		0.83	3.41	36.91
	003		RV		02/06	OR	4063		40.32	2.14	34.77
04 48	00041284	STATE CD #2STATE	053794	TOM H RAGSDALE	10/04	PA	03/20/06		2.49	11.07	119.68
	003		RV		02/06	WI	4029		130.75	6.93	112.75
04 48	00041284	STATE CD #2STATE	053794	TOM H RAGSDALE	11/04	PA	03/20/06		4.21	16.89	182.67
	003		RV		02/06	WI	4063		199.56	10.58	172.09

SUB TOTAL BY LEASE 00041284 :

2,730.45 11,561.11 125,524.47
137,085.58 8,429.27 117,095.20

REPORT TOTAL

2,730.45 11,561.11 125,524.47
137,085.58 8,429.27 117,095.20