

03317

ASSIGNMENT AND BILL OF SALE

THE STATE OF NEW MEXICO)

) KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF LEA)

This ASSIGNMENT, (hereinafter "Assignment") from Dena Strickland, 909 W Avenue N, Lovington, NM 88260 (hereinafter referred to as "Assignor"), to Denis Schoenhofer, 14605 S Memorial Dr, Bixby, OK 74008 (hereinafter referred to as "Assignee").

FOR AND IN CONSIDERATION of Ten and No/100 Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN AND CONVEY unto Assignee without covenant, representation or warranty of any kind whatsoever, express, statutory or implied, subject to the terms, provisions and reservations herein, all of Assignor's rights, title and interest into and under: (i) the oil and gas lease and land described in Exhibit "A" attached hereto and made a part hereof, (hereinafter referred to as "Lease"), insofar however, as the Lease covers and includes the lands described in Exhibit "A", and subject to the provisions of said Lease and to any and all existing royalties, excess royalties, and overriding royalty interests specifically affecting the interest with which said lease may be burdened (said lands as to such depths being hereinafter called the "Assigned Property") and (ii) all lease and well equipment, located upon the surface of and below the surface of the Assigned Property, covered by the Lease.

TO HAVE AND TO HOLD the Assigned Property, together with all and singular rights, privileges, hereditaments and appurtenances thereto in anywise belonging, unto Assignee, it's representatives, successors, and assigns, subject, however, to the following terms and provisions:

1. Effective Time. The Effective Time of this Assignment shall be the 21 day of April, 2009, at 7:00a.m.
2. Proration of Taxes, etc. All taxes, including, but not limited to, income taxes, Windfall Profits Taxes, state severance taxes, advalorem taxes, equipment taxes and any local state and federal taxes or assessments attributable to the Assigned Property, or any part thereof, on and after the Effective Time, shall be Assignee's responsibility, and add deductions, credits and refunds pertaining to the aforementioned taxes, attributable to the Assigned Property, or any hereof, on and after the Effective Time, no matter when received, shall belong to Assignee.
3. Oil Gas & Liquids. All oil or other liquid hydrocarbons produced from the interest conveyed and the amount of casing head gas produced from the interests conveyed, on and after the Effective Time hereof, shall be the property of Assignee, excluding production remaining on Assigned Property as of the Effective Time.
4. Risk of Loss: Indemnity. Assignee shall be responsible for all losses, claims, damages, demands, suits, causes of action, and liabilities (including attorneys' fees associated therewith) arising out of or connected with operation of the Assigned Property, or any part thereof, on and after the Effective Time hereof, no matter when asserted; and Assignee shall defend, indemnify and hold Assignor, his successors and assigns, harmless against the same.
5. Assumption of Obligations: Indemnities. Assignee hereby assumes and agrees to timely perform and discharge all duties and obligations as the owner of the Assigned Property on and after the Effective Time hereof, including but not limited to, plugging and abandonment of all existing and

any future wells; and, Assignor shall incur no liability for Assignee's failure to perform and discharge such duties and obligations in a timely manner. Assignee agrees to hold Assignor harmless against any and all losses, claims, damages, demands, suits, causes of action, and liabilities (including attorneys' fee associated therewith) relating to all such duties and obligations. Any future assignment of the Assigned Property by Assignee shall contain provisions and covenants similar to the provisions herein, and shall provide that any assignee shall have a duty to plug and abandon existing and future wells as the cease to produce in paying quantities.

6. Plugging and Surface Bonds. Assignee shall meet all New Mexico State and Federal requirements for plugging and surface use bonds for wells and operations on the Assigned Property.
7. Lease. The Assignment is made by Assignor and accepted by Assignee subject to all the terms, covenants and conditions of the Leases described in Exhibit "A" attached hereto; and Assignee, on and after the Effective Time hereof, expressly assumes and agrees to perform all covenants and obligations of Assignor under all Leases and under any previous assignments thereof.
8. Contracts and Agreements. The Assignment is expressly made subject to the terms, covenants and conditions of agreements affecting the Assigned Property, same shall be binding on Assignee, its successors and assigns, on and after the Effective Time hereof.
9. Observance of Laws. This Assignment is made by Assignor and accepted by Assignee subject to all applicable federal and state laws, ordinances, rules and regulations; and Assignee agrees to comply with all federal and state laws, ordinances rules and regulations affecting the Assigned Property and shall promptly obtain and shall maintain all permits required by governmental authorities in connection with the Assigned Property.
10. Successors and Assigns. The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective successors and assigns; and such terms, covenants and conditions, shall be covenants running with the Assigned Property herein assigned and with each subsequent transfer or assignment of the Assigned Property.
11. Assignment Costs. Assignee shall be solely responsible for all filing and recording cost of documents related to the Assigned Property and for all fees connected therewith.
12. Heading. The titles and headings that appear in this Assignment have been included solely for ease of reference and shall not be considered in the interpretation or construction of the Assignment.
13. Disclaimer The Lease and Equipment described herein is sold and transferred by Assignor to Assignee "AS IS" and "WHERE IS", WITH ALL FAULTS AND DEFECTS, WITHOUT COVENANT, REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY; AND WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING CLAUSE. ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS AND (d) ANY IMPLIED OR EXPRESS WARRANTY OR REPRESENTATION TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE ASSIGNED PROPERTIES OR THE ABILITY OF THE ASSIGNED PROPERTY TO PRODUCE HYDROCARBONS.
14. Investment Representation. Assignee represents and certifies that it is acquiring the Assigned Property for its own account, for use in its trade or business or for investment, and with no present intention of making a distribution thereof.

Assignor has, to the best of his knowledge, furnished accurate information; however, Assignor does not in any way represent or guarantee that such information is accurate or correct, any reliance on information furnished herewith shall be at Assignee's sole risk and expense.

15. Execution. This Assignment and Bill of Sale may be executed by Assignor and Assignee in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same instrument.

EXECUTED THIS 2 DAY OF April, 2009, BUT EFFECTIVE AS OF April 2, 2009, hereinabove stated.

ASSIGNOR

Dena Strickland
Dena Strickland, An Individual

ASSIGNEE

[Signature]
Denis Schoenhofer, An Individual

STATE OF OKLAHOMA
COUNTY OF TULSA

BEFORE ME, The undersigned authority, on the 2 day of April, 2009, personally appeared Denis Schoenhofer, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that this instrument was executed for the purpose and consideration therein expressed.

My Commission Expires March 29, 2011
BY L. DECOU
Notary Public, State of Oklahoma
Commission # 07002700
My Commission Expires March 29, 2011

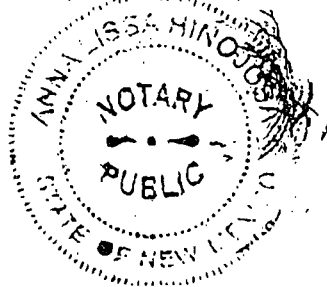
Notary Public

[Signature]
(Name)

STATE OF NEW MEXICO
COUNTY OF LEA

BEFORE ME, The undersigned authority, on the ___ day of April, 2009, personally appeared Dena Strickland, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that this instrument was executed for the purpose and consideration therein expressed.

My Commission Expires:



Notary Public

[Signature]
(Name)

EXHIBIT "A"

Attached to and made a part of the certain "assignment" date effective as of April __, 2009, by and between "Assignor" (Dena Strickland) and "Assignee" (Denis Schoenhofer).

Assignors assigns the leasehold rights, title, and interests, into and under the following Lease, insofar as the Lease covers and includes the lands and depths described below, and subject to the provisions and reservations of royalties with which said Lease may be burdened.

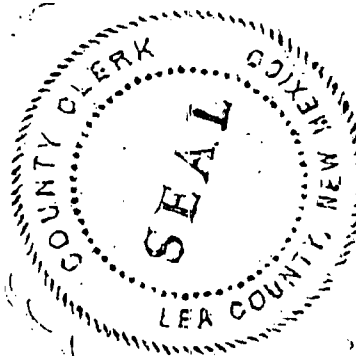
LEASE NAME: Government "E"

DESCRIPTION: Section 25, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

APR 07 2009

at 10:00 o'clock *PM* M
and recorded in Book *90* *11076*
Page _____
Pat Chappelle, Lea County Clerk
By *ms* Deputy



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