

WELL-BORE ASSIGNMENT

STATE OF NEW MEXICO §
 §
COUNTY OF EDDY §



REFERENCE is made to that certain oil and gas well in Eddy County, New Mexico, known as The Eastland Oil Co. - Chucka Federal # 2 a.k.a the Amoco-Diamond Federal Gas Com. No. 1 (hereinafter the "Subject Well"), located 1980 feet FNL and 660 feet FWL of Section 12, T-18-S, R-27-E, NMPM (hereinafter the "Lands").

For a valuable consideration, the receipt and sufficiency of which is hereby acknowledged, The Eastland Oil Company and Polo Oil and Gas (collectively "Assignor") hereby GRANTS, SELLS, ASSIGNS and CONVEYS unto Navajo Refining Company, whose address is 501 E. Main, Artesia, New Mexico 88210 ("Assignee"), all of Assignor's right, title and interest in and to the Subject Well, subject to the following terms and conditions:

1. Assignee agrees that all operations will be conducted in compliance with any and all laws, regulations and orders of any state or federal governmental authorities having jurisdiction over said operations including, but not limited to, the rules and regulations of the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico, and the Bureau of Land Management. Without limiting the scope of this compliance, Assignee specifically agrees to (i) assume all responsibility and liability for the proper plugging and abandonment of the Subject Well pursuant to the applicable rules and regulations of all governmental agencies having jurisdiction and the applicable statutes and laws of the State of New Mexico, as well as all federal laws and regulations; and (ii) comply with all other rules, regulations, orders and directives of governmental authority having jurisdiction applicable to any part of the Lands - including, but not limited to, any obligation to restore the surface of the Lands to its original condition;
2. ASSIGNOR DOES NOT WARRANT OR REPRESENT, EITHER EXPRESSLY OR BY IMPLICATION, AND HEREBY EXPRESSLY DISCLAIMS THE CONDITION OF ANY WELLS OR EQUIPMENT OR THE QUANTITY, QUALITY OR CONDITION OF ANY MATERIAL AND EQUIPMENT OR ITS FITNESS FOR USE OR THE SUITABILITY FOR USE OF SAME IN WHOLE OR IN PART. ASSIGNOR EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OF ANY PERSONAL PROPERTY OR OF THE FITNESS OF ANY PERSONAL PROPERTY FOR ANY PURPOSE, AND ASSIGNEE AGREES THAT ANY PERSONAL PROPERTY ACQUIRED IS SOLD "AS IS" AND "WHERE IS".
3. ASSIGNEE AGREES TO INDEMNIFY, DEFEND AND HOLD ASSIGNOR HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, COSTS, EXPENSES INCLUDING, WITHOUT LIMITATION,

COMPANY

*George H. Whitbert
Holly Petroleum Inc
100 Crescent Ct Ste 1600
D. H. ...*

RECEPTION
994297

COURT COSTS AND REASONABLE ATTORNEYS' FEES, AND ALL LOSSES AND DAMAGES OF WHATSOEVER KIND AND NATURE THAT ARE ATTRIBUTABLE TO THE SUBJECT WELL OR THE LANDS AS OF AND SUBSEQUENT TO THE EFFECTIVE DATE, AND ASSIGNOR AGREES TO INDEMNIFY, DEFEND AND HOLD ASSIGNEE HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, COSTS, EXPENSES INCLUDING, WITHOUT LIMITATION, COURT COSTS AND REASONABLE ATTORNEYS' FEES, AND ALL LOSSES AND DAMAGES OF WHATSOEVER KIND AND NATURE THAT ARE ATTRIBUTABLE TO THE SUBJECT WELL OR THE LANDS PRIOR TO THE EFFECTIVE DATE INCLUDING, WITHOUT LIMITATION, THE FOLLOWING:

- (A) THE OBLIGATIONS ASSUMED BY EACH PARTY ELSEWHERE IN THIS DOCUMENT;
 - (B) DAMAGE TO OR LOSS OF PROPERTY, NATURAL RESOURCES OR PERSONS ARISING OUT OF EACH RESPECTIVE PARTY'S OPERATIONS;
 - (C) ANY CONDITION OF OR UPON THE LANDS; AND
 - (D) ANY INJURY OR DAMAGE OR CONDITION AFFECTING THE ENVIRONMENT.
4. Assignor warrants title by, through and under itself, and not otherwise, and further warrants that no third party has any rights in the Subject Well by virtue of any prior Assignment, Agreement, Encumbrance or otherwise.
 5. Subject to the provisions of Paragraph 2 above, the Subject Well will be delivered to Assignee with its 8-5/8" casing in place in its present condition, and Assignor reserves and retains any and all surface equipment and tubing in the well, which shall be removed within 120 days of execution hereof.
 6. After execution hereof, each of the Parties will execute, acknowledge and deliver to the other such further instruments, and take such other action, as may be reasonably requested in order to more effectively assure to said party all of the respective properties, rights, titles, interests, estates, and privileges intended to be assigned, delivered or inuring to the benefit of such party in consummation of the transactions contemplated hereby including, without limitation, all forms required to be filed with the New Mexico Oil Conservation Division and/or the Bureau of Land Management.

EXECUTED this the 13 day of April, 1999.

THE EASTLAND OIL COMPANY

By: Robert R. Donnelly
Name: ROBERT R. DONNELLY
Title: PRESIDENT

POLO OIL AND GAS COMPANY

N/A
Wife of T. Calder Ezzell Jr., if any,
pro forma

By: T. Calder Ezzell Jr.
Name: T. Calder Ezzell, Jr.
Title: PRESIDENT

"Assignor"

NAVAJO REFINING COMPANY

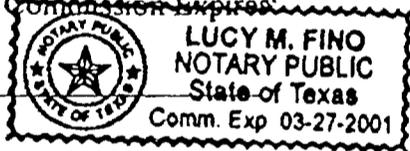
By: Matthew P. Clifton
Name: Matthew P. Clifton
Title: Senior Vice President

"Assignee"

STATE OF Texas §
COUNTY OF Midland §

This instrument was acknowledged before me this 15th day of April, 1999 by Robert R. Donnelly, President (title) of THE EASTLAND OIL COMPANY, a Texas corporation, on behalf of said corporation.

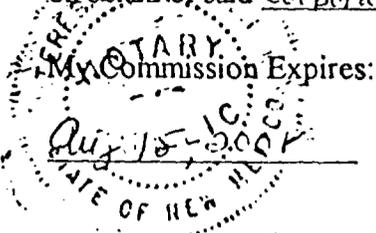
My Commission Expires:



Lucy Fino
Notary Public in and for the State of Texas.
Printed Name: Lucy M. Fino

STATE OF New Mexico §
COUNTY OF Chaves §

This instrument was acknowledged before me this 13th day of April, 1999 by T. Calder Ezzell Jr., President (title) of POLO OIL AND GAS Company, a New Mexico Corporation on behalf of said corporation, joined pro forma by his wife, _____

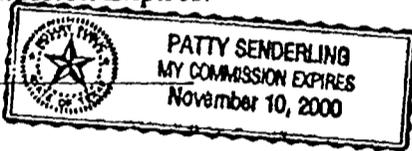


Teresa M. Waugh
Notary Public in and for the State of Texas.
Printed Name: Teresa M. Waugh

STATE OF Texas §
COUNTY OF Dallas §

This instrument was acknowledged before me this 3th day of March, 1999 by Matthew Clifton, S.R.V.P. (title) of NAVAJO REFINING COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission Expires:



Patty Senderling
Notary Public in and for the State of Texas.
Printed Name: Patty Senderling

STATE OF NEW MEXICO } ss
County of Eddy

FILED APR 20 1999 FOR RECORD

at 9:10 o'clock A. M., and was duly recorded in BOOK 349 PAGE 43 of the Records of Eddy County Jean Echeverry, County Clerk

By: [Signature]

