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ASSIGNMENT, BILL OF SALE AND GENERAL CONVEYANCE

THIS ASSIGNMENT, BILL OF SALE AND GENERAL CONVEYANCE (this "Conveyance") is executed by UNION TEXAS PETROLEUM CORPORATION, a Delaware corporation, and UNION TEXAS DEVELOPMENT CORPORATION, a Delaware corporation, each of whose address is 1330 Post Oak Boulevard, Houston, Texas 77056 (hereinafter collectively called "Sellers"), to MERIDIAN OIL PRODUCTION INC., a Delaware corporation, whose address is 5613 DTC Parkway, Englewood, Colorado 80111 (hereinafter called "Buyer").

ARTICLE I

Conveyance of Assets

Sellers, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Buyer, the receipt and sufficiency of which consideration are hereby acknowledged and confessed, by these presents do hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER unto Buyer, the following described interests, rights and properties (herein collectively referred to as the "Assets"):

(a) all of Sellers' interest (i) in and to all oil, gas and other minerals in place in all lands in the United States of America (excluding Alaska and Hawaii) and Canada, excluding the Offshore Business Area (hereinafter defined) (the "Business Area"), including any such interests in, to and under any oil, gas and/or mineral leases, leasehold interests, mineral fee interests, royalty interests, nonparticipating royalty interests, overriding royalty interests, production payments and any other right, title or interest evidencing or creating a right or interest in, or any right to produce or receive the proceeds of production of, any crude oil, natural gas, casinghead gas, condensate, natural gas liquids and other liquid or gaseous hydrocarbons, together with all products extracted, separated or processed therefrom (collectively "Hydrocarbons") or other minerals in place and located in the Business Area, including those described in Exhibit A attached hereto and made a part hereof, and including all interests therein which any Seller is entitled to receive by reason of any participation, joint venture, farm-in, farm-out, operating or other agreement and all rights and interests attributable or allocable thereto by virtue of any pooling, unitization, communitization, production sharing or similar agreement, order or declaration (collectively the "Subject Interests"), (ii) in and to any gas gathering or gas processing equipment, facilities, pipelines, systems or plants which primarily relate to or serve the Subject Interests (the "Gas Facilities"), and (iii) in and to any interest in the surface owned in fee by

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Sellers in any land located in the Business Area, including those described in Exhibit B attached hereto and made a part hereof (the "Lands"), together with all of Sellers' interest in, to and under the property and rights incident thereto, including, but not limited to, all rights in, to and under all production sales contracts, division orders, contracts for sale, purchase, exchange, refining or processing of Hydrocarbons or other minerals, operating agreements, agreements of development, area of mutual interest agreements, gas balancing or deferred production agreements, processing agreements, plant agreements, pipeline, gathering and transportation agreements, injection, repressuring and recycling agreements, carbon dioxide purchase or sale agreements, salt water or other disposal agreements, seismic or geophysical permits or agreements, leases, permits, rights of way, easements, licenses, farm-outs, farm-ins, options, orders and any and all other agreements to the extent attributable to or used directly in connection with the Subject Interests, Gas Facilities or the Lands, including those easements, right-of way and leases described in Exhibit C attached hereto and made a part hereof. As used herein "Offshore Business Area" shall mean those lands lying seaward of the mean high tide line of the coasts of the States of Texas, Louisiana, Mississippi, Alabama and the west coast of Florida, including, without limitation, those lands covered by bodies of water located in the vicinity of or adjacent to the open Gulf of Mexico and directly subject to the tidal overflow of the Gulf of Mexico, which lands are owned by either a state or by the United States of America, and the exclusive right to lease such lands is vested in either a state, the United States of America or an agency thereof. Without limiting the foregoing, the "Offshore Business Area" shall include the shaded area depicted on the map attached hereto as Exhibit D and made a part hereof; provided, however, as to the determination of the location of the inland border of such shaded area, the narrative description set forth in the first sentence of the definition of Onshore Business Area shall be determinative;

(b) all of Sellers' interest in and to (i) all of the wells, equipment, materials and other personal property (including inventories of tubular goods, supplies, tools and other oil and gas field equipment), fixtures and improvements on the Subject Interests, Gas Facilities or Lands, appurtenant thereto or used or obtained in connection with the Subject Interests, Gas Facilities or Lands or with the production, treatment, sale or disposal of Hydrocarbons or other minerals or waste produced therefrom or attributable thereto and all other appurtenances thereunto belonging (ii) onshore field office leases in the Business Area which are used in connection with the Subject Interests, Lands or Gas Facilities and are not part of the HPG Business (as defined in the Purchase Agreement), together with all of Sellers' (or Sellers' interest as lessee in) furniture, fixtures, equipment and other personal property in or associated with such offices, including all computers and word processing, photocopying,

telecommunications and other office equipment, vehicles, mobile phones, radios and other items listed in Exhibit E attached hereto and made a part hereof; and (iii) one Landmark 3-D computer station;

(c) all other interests owned by Sellers in, to and under the Subject Interests, Gas Facilities or Lands or attributable to production therefrom;

(d) all unitization, pooling and operating agreements, and the units created thereby insofar as the same are attributable to the Subject Interests or Lands or interests therein or which relate to any units or wells located on the Subject Interests or Lands, including any and all units formed under orders, regulations, rules and other official acts of the governmental authority having jurisdiction, together with any right, title and interest created thereby in the Subject Interests or Lands;

(e) all rights to claim revenues or Hydrocarbons or other minerals resulting from any underproduction attributable to Sellers' interest in the Subject Interests, Gas Facilities or Lands; and

(f) all lease files, land files, well files, oil and gas sales contracts files, gas processing files, division order files, abstracts, title opinions, litigation files to the extent relating to the Assumed Liabilities (as defined in that certain Asset Purchase Agreement dated August 20, 1991 (the "Purchase Agreement"), by and among Sellers, Union Texas Canada Ltd., Meridian Oil Production Inc. and El Paso Production Company), engineering, geological, seismic and geophysical data, and all other files, maps, logs, data and records of Sellers relating to the Assets, other than litigation files (to the extent not relating to the Assumed Liabilities), corporate, financial, tax and legal records of Sellers, but including files and receipts relating to the Assets pertaining to Federal, state and Indian royalty payments (including production records) and to Production Taxes (hereinafter defined) and ad valorem and property Taxes (hereinafter defined).

SAVE and EXCEPT, and there is excluded from this conveyance and the Assets and RESERVED unto Sellers the following described interests, rights and properties (herein collectively referred to as the "Excluded Assets") (i) any employment, consulting, accounting, and attorney or litigation contracts or arrangements, (ii) all deposits, cash, checks, funds, accounts receivable and similar items attributable to the period prior to April 1, 1991, except to the extent constituting Royalty Accounts (as defined in the Purchase Agreement), (iii) all corporate, financial, tax and legal records of Sellers (other than those included in the Assets pursuant to item (f) above), (iv) all bonds and contracts or policies of insurance and any

claims of Sellers thereunder or against any Predecessor (as defined in the Purchase Agreement) or Affiliate (as defined in the Purchase Agreement) of Sellers related thereto, except as expressly provided in the Insurance Matters Agreement (as defined in the Purchase Agreement), (v) all contracts of indemnity and any claims of Sellers thereunder or against any Predecessor or Affiliate of Sellers related thereto, except to the extent any contract of indemnity relates to any Assumed Liability and is not granted by or the obligation of any Predecessor or Affiliate of Sellers; (vi) Sellers' rights with respect to all Hydrocarbon or other mineral production from or attributable to the Subject Interests, Gas Facilities or Lands with respect to all periods prior to April 1, 1991, all proceeds attributable thereto, and all Hydrocarbons that, on April 1, 1991, are owned by Sellers and are in storage, within processing plants or in pipelines, (vii) claims of Sellers for refund of or loss carry forwards with respect to (a) costs, Production Taxes, ad valorem and property Taxes or expenses borne by Sellers attributable to the period prior to April 1, 1991, (b) Income Taxes (hereinafter defined), Windfall Profit Taxes (hereinafter defined) or Franchise Taxes (hereinafter defined), (c) any Taxes attributable to the Excluded Assets, or (d) amounts which relate to transportation of gas produced from the Subject Interests that is performed prior to April 1, 1991 as Sellers may receive from (x) any interstate or intrastate transporter of gas as a transportation rate refund (pursuant to an order of the FERC or of any state regulatory agency having jurisdiction or pursuant to a settlement agreement) or (y) any purchaser of gas as an agreed-upon flow-through of such a transportation rate refund received by such purchaser, (viii) engineering, geological, seismic, geophysical and similar data to the extent the transfer thereof to Buyer is contractually prohibited by license, confidentiality or similar agreements with unaffiliated third parties, (ix) the right to make or retain duplicate copies, at Sellers' expense, of any of the Sellers' (a) proprietary engineering, geological, seismic, geophysical or similar data to the extent such data relates to the Offshore Business Area, the Pacific and Atlantic offshore areas or Alaska and (b) third party engineering, geological, seismic, geophysical or similar data to the extent such data relates to the Pacific and Atlantic offshore areas or Alaska, (x) all right, title and interest of Sellers' as lessee or lessees under Sellers' Houston, Denver and Midland office leases, together with all of Sellers' (or Sellers' interest as lessee in) furniture, fixtures, equipment and other personal property in or associated with such offices, including all computers and word processing, photocopying, telecommunications and other office equipment, vehicles, mobile phones and radios except for the Landmark 3-D computer station included in the Assets pursuant to item (b)(iii) above, (xi) subject to the Patent License (as defined in the Purchase Agreement), all patents, computer software (including tapes, data and program documentation) and other intellectual property, (xii) all right, title and interest of Sellers in and to the HPG Business, (xiii) any logo, service mark, copyright, trade name or trademark

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associated with any Seller or any business of any Seller, (xiv) all receivables and cash proceeds which were expressly taken into account and for which credit was given in the determination of Net Cash Flow (as defined in the Purchase Agreement) pursuant to Section 3(c) of the Purchase Agreement, as adjusted pursuant to Section 3(d) of the Purchase Agreement, (xv) profits attributable to Sellers' crude oil trading business and all overhead charges and rates received by any Seller in its capacity as operator under any operating agreement or COPAS accounting procedure prior to the Closing Date, and (xvi) any property retained by Sellers pursuant to Section 18 of the Purchase Agreement or retained or reconveyed to Sellers pursuant to Sections 7(f) or 13(c)(vii) of the Purchase Agreement. As used herein, (1) the term "Production Taxes" shall mean all severance, gross receipts, gross production, occupation, gathering, pipeline regulation, conservation, excise, sales, use, and other Taxes (excluding any Taxes imposed on or measured by the net income or profits of a person, partnership, corporation or other entity or Transfer Taxes, Franchise Taxes or Windfall Profit Taxes), (2) the term "Income Taxes" shall mean all federal, state, local or foreign Taxes based upon the net income or profit of a person, partnership, corporation or other entity, but shall not include any Taxes based upon the sales price of Hydrocarbons produced from the Subject Interests (including, without limitation, Production Taxes), (3) the term "Franchise Taxes" shall mean all federal, state, local or foreign franchise Taxes or assessments, including, without limitation, Taxes based on net worth, capitalization or total assets, (4) the term "Windfall Profit Taxes" shall mean the Taxes imposed on the windfall profit from taxable crude oil pursuant to the Crude Oil Windfall Profit Tax Act of 1980, as amended prior to its repeal, and (5) the term "Taxes" shall mean all taxes or similar assessments or fees, together with all interest, fines, penalties and additions thereto.

TO HAVE AND TO HOLD the Assets unto Buyer, its successors and assigns, forever, subject, however, to the matters set forth herein.

## ARTICLE II

### Disclaimer of Warranties: Certain Existing Agreements

Section 2.1 Disclaimer of Warranties. The Assets are assigned to Buyer without recourse, representation, covenant or warranty of title of any kind whatsoever, express, implied, statutory or otherwise. All personal property, equipment, fixtures and appurtenances constituting a portion of the Assets are assigned to Buyer "AS IS, WHERE IS." WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING SENTENCE, BUYER EXPRESSLY DISCLAIMS AND NEGATES AS TO MOVABLE OR PERSONAL PROPERTY AND FIXTURES (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 AS TO CONDITION, AND (d) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

Section 2.2 Certain Existing Agreements. As used in this Section 2.2, "Certain Existing Agreements" shall mean all of the following agreements, instruments and documents which are valid and subsisting and require that an assignee of any Asset which is the subject thereof or is affected thereby expressly assume any or all of the terms and obligations thereof:

(a) any and all agreements, instruments and documents entered into in connection with the exploration, development, operation and/or maintenance of all or any part of the Assets and/or the extraction, processing or transportation of Hydrocarbons therefrom; and

(b) any and all agreements, instruments and documents which create any of the Assets or reserve or assign to any Seller any of the Assets.

Buyer covenants and agrees that it is accepting this Conveyance subject to the Certain Existing Agreements and, to the extent same constitute Assumed Liabilities, Buyer does hereby assume the terms and obligations of the Certain Existing Agreements. As between the Sellers and Buyer, nothing contained in this Section 2.2 shall be construed, however, as amending, altering or modifying the respective assumptions, covenants, duties and obligations of Sellers and Buyer set forth in the Purchase Agreement.

### ARTICLE III

#### Miscellaneous

Section 3.1 Separate Assignments. This Conveyance, insofar as it pertains to those Assets as to which separate assignments have been, or will be, executed for filing with and approval by applicable governmental or tribal agencies and authorities, is made and accepted subject to the approval of such applicable governmental or tribal agencies and authorities and to the terms of such approval if and to the extent required by law. Any such separate assignments (a) shall evidence the conveyance and assignment of the applicable Assets herein made, and shall not constitute any additional conveyance or assignment of the Assets, (b) are not intended to modify, and shall not modify, any of the terms, covenants and conditions, or limitations on warranties, set forth in this Conveyance and are not intended to create and shall not create any representations, warranties or additional covenants of or by Sellers to Buyer, and (c) shall be deemed to contain all of the terms and provisions of this Conveyance, as fully and to all intents and purposes as though the same were set forth at length in such separate assignments.

Section 3.2 Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of Sellers and Buyer. All references herein to either Sellers or Buyer shall include their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Conveyance to be executed effective as of September 12<sup>th</sup> 1991.

SELLERS:

UNION TEXAS PETROLEUM CORPORATION

By J. S. Empie  
J. S. Empie  
Vice President

UNION TEXAS DEVELOPMENT CORPORATION

By J. S. Empie  
J. S. Empie  
Vice President

BUYER:

MERIDIAN OIL PRODUCTION INC.

By Randolph P. Mundt  
Randolph P. Mundt  
Senior Vice President

[CORPORATE SEAL]



[CORPORATE SEAL]



[CORPORATE SEAL]




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THE STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 13<sup>th</sup> day of September, 1991 by J. S. Empie, Vice President of UNION TEXAS PETROLEUM CORPORATION, a Delaware corporation, on behalf of said corporation.

(SEAL)

Dorothy M. Malac  
Notary Public in and for  
the State of Texas  
(Printed Name of Notary)  
My Commission Expires: \_\_\_\_\_




THE STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 13<sup>th</sup> day of September, 1991 by J. S. Empie, Vice President of UNION TEXAS DEVELOPMENT CORPORATION, a Delaware corporation, on behalf of said corporation.

(SEAL)

Dorothy M. Malac  
Notary Public in and for  
the State of Texas  
(Printed Name of Notary)  
My Commission Expires: \_\_\_\_\_

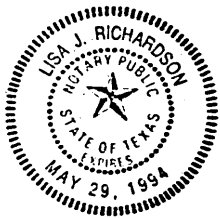




THE STATE OF TEXAS    \$  
                                  \$  
COUNTY OF HARRIS    \$

This instrument was acknowledged before me on the 15<sup>th</sup> day of September, 1991 by Randolph P. Mundt, Senior Vice President of MERIDIAN OIL PRODUCTION INC., a Delaware corporation, on behalf of said corporation.

(SEAL)



Lisa Richardson

Notary Public in and for  
the State of Texas

\_\_\_\_\_  
(Printed Name of Notary)

My Commission Expires: \_\_\_\_\_

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EXHIBIT "A"  
Subject Interests

DATE 09/09/81  
PAGE 1

COUNTY: EUREKA

STATE: NEVADA  
PROSPECT: CRESCENT VALLEY

LEASE NUMBER

LESSOR

LESSEE

STATE/COUNTY

LSE DTE

RECORDED

03/01/82

NV-00115 USA N-26711

TRACT 01

DESCRIPTION: T 29 N R 49 E  
SEC 2 LOTS 1-12, S/2 (ALL)  
SEC 4 LOTS 1-12, S/2 (ALL)

ALLIED CORPORATION

NV EUREKA

NV-00116 USA N-26713

TRACT 01

DESCRIPTION: T 29 N R 49 E  
SEC 16 ALL  
SEC 20 ALL  
SEC 28 ALL  
SEC 32 ALL

ALLIED CORPORATION

NV EUREKA

03/01/82

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EXHIBIT B

None.

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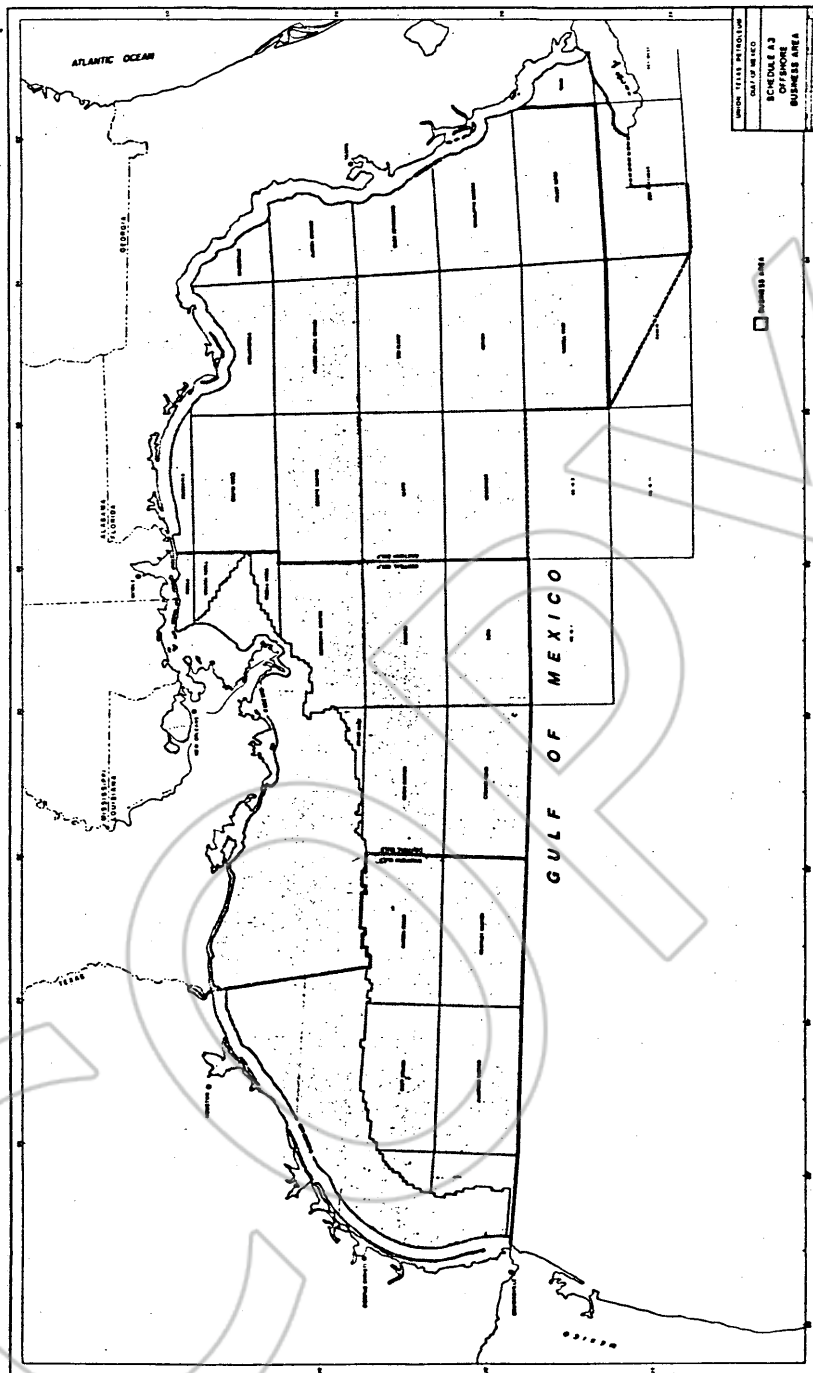
EXHIBIT C

None.

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# EXHIBIT "D"





**EXHIBIT E**

NOT APPLICABLE TO THIS ASSIGNMENT

BOOK 225 PAGE 550  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Meridian Oil*  
91 SEP 26 P256  
*Inc.*

EUREKA COUNTY, NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. FEES 1800

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