PARTIAL ASSIGNMENT OF OIL, GAS AND MINERAL LEASES

THE STATE OF TEXAS)
)   KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF LAVACA)

THAT, the undersigned, HIGHLAND RESOURCES, INC., a Texas corporation (hereinafter called "Assignor"), for and in consideration of the sum of TEN DOLLARS ($10.00) and other valuable considerations to it in hand paid by F. B. LACY, an individual of Harris County, Texas, the receipt whereof is hereby acknowledged, does hereby bargain, sell, transfer, assign and convey unto the said F. B. LACY (hereinafter called "Assignee") his heirs, successors and assigns, subject to the reservations, exceptions, exclusions and other provisions hereinafter set forth, all of its right, title and interest in and to the Oil, Gas and Mineral Leases described in Exhibit "A" attached hereto and by reference made a part hereof, insofar and only insofar as said Oil, Gas and Mineral Leases cover the particular lands specifically described in said Exhibit "A" and only insofar as said Oil, Gas and Mineral Leases cover and pertain to rights from the surface of the ground down to the depth of 8,970 feet below such surface. (The said Oil, Gas and Mineral Leases, insofar as they cover the lands described in Exhibit "A" from the surface of the ground down to the depth hereinabove specified, being hereinafter sometimes referred to as the "Lease Acreage").

The Lease Acreage covered hereby is conveyed by Assignor and accepted by Assignee subject to the royalties, overriding royalties, production payments and other payments out of or with respect to production which were of record as of July 3, 1972 and with which said Lease Acreage was then encumbered, and to the terms, conditions, obligations, limitations and other provisions set forth in the Oil, Gas and Mineral Leases, assignments, operating agreements, unit agreements and other agreements theretofore made, regardless of whether same were of record and including but not limited to those referred to in Exhibit "A", to which the interest of Assignor in said Lease Acreage is subject.