by Grantee on the day and year first above written, but effective as of the Effective Date.

W. C. ENGLISH, R. GRANTOR

HIGHLAND OIL COMPANY

By Je Cally Vice- President

GRANTEE

KINKAID RESOURCES, INC.

By PRODUCTION PAYMENT ASSIGNEE

THE STATE OF TEXAS COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared W. C. ENGLISH, JR., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

day of _______ 1967.

Notary Public in and for Harris County, Texas

THE STATE OF TEXAS S
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared J. E. Teddlic, known to me to be the person whose name is subscribed to the foregoing instrument as Vice-President of HIGHLAND OIL COMPANY, a corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 1st

Notary Public in and for Harris County, Texas