

10-1-67

ATTENTION OF RECORDERS: This Conveyance consists of two Parts. The Grantor is the same in both Parts, but the Grantee in Part I and the Production Payment Assignee in Part II are different parties and should be separately indexed.

C O N V E Y A N C E

THIS CONVEYANCE is dated *November 1, 1967*, and consists of two Parts:

Part I is a CONVEYANCE OF OIL, GAS AND MINERAL PROPERTIES AND RESERVATION OF PRODUCTION PAYMENT from W. C. ENGLISH, JR., of Houston, Harris County, Texas (herein called Grantor), to HIGHLAND OIL COMPANY, a Texas corporation (herein called Grantee), and

Part II is a CONVEYANCE OF PRODUCTION PAYMENT from Grantor to KINKAID RESOURCES, INC., a Texas corporation domiciled in Houston, Texas (herein called Production Payment Assignee).

RECITALS AND DEFINED TERMS

Grantor is presently the owner of the oil, gas and mineral leases and royalty and mineral interests described in Exhibit A attached hereto. In Part I of this Conveyance such oil, gas and mineral interests are conveyed by Grantor to Grantee reserving unto Grantor from such interests a production payment which in Part II of this Conveyance is conveyed to Production Payment Assignee.

For all purposes of both Part I and Part II of this Conveyance, unless the context otherwise requires:

A. "Grantor," "Grantee" and "Production Payment Assignee" shall include the successors and assigns of each.

B. "Exhibit A" shall mean Exhibit A attached hereto and hereby made a part of both Part I and Part II of this Conveyance.

C. "Effective Date" shall mean *November 1, 1967*, at 7:00 a.m., determined as to each locality in accordance with the time generally observed in such locality.

D. "Subject Interests" shall mean all of the properties, interests and rights described in Subdivision A to D, inclusive, of Section 1. The term "Subject Interest," when used with reference to any particular Subject Interest, shall

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