

oil and/or gas or other hydrocarbons, the processing of gas and sales of products therefrom; and all of Texaco's rights, titles, interests, estates, privileges, remedies, rents, benefits, revenues inuring to or under the Leases, Fees, contracts and agreements, orders, rules and regulations. Texaco conveys to Lewis et al, its successors and assigns, all such rights and interests. Lewis et al assumes all obligations of Texaco with respect to the Leases, Fees and all instruments, contracts, agreements, understandings, orders, rules and regulations, both recorded and unrecorded, which affect the interests of Texaco hereby conveyed.

The Leases, Fees, Wells, Equipment and all other property, rights and interests conveyed hereby shall hereinafter sometimes be referred to collectively as the "Property".

TO HAVE AND TO HOLD the Property unto Lewis et al, their successors and assigns forever in the following proportions:

Lewis Oil Corporation - undivided one-half interest  
William E. Carpenter - undivided one-fourth interest  
Jay Fenton - undivided one-fourth interest

All ad valorem taxes due by Texaco for the calendar years prior to the calendar year 1988 have been paid by Texaco. All ad valorem property taxes and other taxes for the year 1988, attributable to the Property, will be prorated between Texaco and Lewis et al relative to the effective date hereof.

Any sales tax, use tax, license, permit or fee which may be applicable to this conveyance shall be borne by Lewis et al. Between the effective date of this Act of Sale and the actual closing date, Texaco shall continue to operate the Property in its usual manner. All revenue from and expenditures applicable to the Property will be accounted for to Lewis et al. Lewis et al shall be paid the net earnings attributable to the Property during this time period, or, if expenditures exceed revenue, Lewis et al shall pay Texaco the net losses attributable to the Property. The date an expense is booked, in lieu of the date it is incurred, shall be used in calculating the net earnings or losses attributable to the Property.

Texaco reserves, and is hereby given the additional optional right at any time and from time to time to purchase currently as produced all oil