

ASSIGNMENT AND BILL OF SALE

THE STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF KLEBERG	§	

THAT for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned EOG Resources, Inc., a Delaware corporation, whose address is 539 N. Carancahua, Suite 800, Corpus Christi, Texas 78401 ("Assignor"), does hereby SELL, ASSIGN, TRANSFER, SET OVER and CONVEY unto Locin Oil Corporation, a Texas corporation, whose address is 25231 Grogan's Mill Road, Suite 500, The Woodlands, Texas 77380 ("Assignee"), subject to the terms and provisions set forth herein, all of the Assignor's right, title and interest in, to and under, or derived from, the oil and gas leases and other interests therein (the "Leases") specifically described or referred to in Exhibit "A" attached hereto and made a part hereof for all purposes; together with identical interests in and to all property and rights incident thereto, including, without limitation, all materials, equipment, personal property and fixtures located thereon or used in connection therewith and all of Assignor's rights in, to and under all agreements, leases, permits, rights-of-way, easements, licenses, options and orders in any way relating thereto; all of the foregoing properties, rights and interests being hereinafter sometimes called the Subject Interests.

1. THIS ASSIGNMENT AND BILL OF SALE IS MADE BY ASSIGNOR AND ACCEPTED BY ASSIGNEE WITH WARRANTY OF TITLE BY, THROUGH AND UNDER ASSIGNOR, BUT NOT OTHERWISE. ASSIGNOR FURTHER GIVES AND GRANTS UNTO ASSIGNEE FULL POWER AND RIGHT OF SUBSTITUTION AND SUBROGATION IN AND TO ALL COVENANTS AND WARRANTIES BY OTHERS HERETOFORE GIVEN OR MADE IN RESPECT OF THE SUBJECT INTERESTS. FURTHERMORE, THIS ASSIGNMENT AND BILL OF SALE IS EXECUTED WITHOUT ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION AS TO THE MERCHANTABILITY OF ANY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PURPOSE, AND WITHOUT ANY OTHER EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER. IT IS UNDERSTOOD AND AGREED THAT

ASSIGNEE HAS INSPECTED THE PROPERTY AND PREMISES AND SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, AND THAT ASSIGNEE SHALL ACCEPT ALL OF THE SAME IN THEIR "AS IS, WHERE IS" CONDITION. IN ADDITION, ASSIGNOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY DATA, INFORMATION OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED ASSIGNEE IN CONNECTION WITH THE SUBJECT INTERESTS, OR AS TO THE QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE SUBJECT INTERESTS OR THE ABILITY OF THE INTERESTS TO PRODUCE HYDROCARBONS. ANY AND ALL SUCH DATA, INFORMATION AND OTHER MATERIALS FURNISHED BY ASSIGNOR IS PROVIDED ASSIGNEE AS A CONVENIENCE AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT ASSIGNEE'S SOLE RISK. ASSIGNEE EXPRESSLY WAIVES THE PROVISIONS OF CHAPTER XVII, SUBCHAPTER E, SECTIONS 17.41 THROUGH 17.63, INCLUSIVE (OTHER THAN SECTION 17.555, WHICH IS NOT WAIVED), VERNON'S TEXAS ANNOTATED BUSINESS AND COMMERCE CODE (THE "DECEPTIVE TRADE PRACTICES ACT"). ASSIGNEE'S WAIVER OF THE ABOVE DESCRIBED PROVISIONS OF THE DECEPTIVE TRADE PRACTICE ACT SHALL NOT BE DEEMED A WAIVER OF ANY OTHER RIGHTS OR REMEDIES PROVIDED AT LAW OR IN EQUITY.

2. Assignor will execute and deliver all such other and additional instruments, notices, releases, acquittances and other documents, and will do all such other acts and things, as may be necessary more fully to assure to Assignee or its successors or assigns all of the respective rights and interests herein and hereby granted or intended to be granted.
3. By its acceptance of this Assignment and Bill of Sale, Assignee shall comply with and does hereby assume and agree to perform Assignee's proportionate part of all express and implied covenants, obligations and reservations contained in the Leases, and the interests assigned

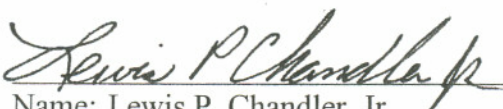
herein are subject to and shall bear their proportionate share of all existing burdens on the Leases.

4. This Assignment and Bill of Sale is subject to the terms and provisions of that certain Purchase and Sales Agreement dated as of June 2, 2004, by and between Assignor and Assignee, and made a part hereof by reference, and in the event of any conflict between this Assignment and the Purchase and Sales Agreement, those terms and provisions in the Purchase and Sales Agreement shall prevail.
5. The provisions hereof shall be covenants running with the lands and shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

EXECUTED this 30th day of June, 2004, but effective as of the 1st day of May, 2004.

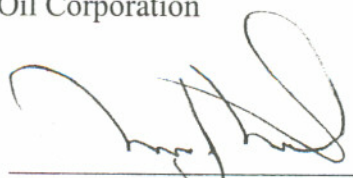
ASSIGNOR:

EOG Resources, Inc.

By: 
Name: Lewis P. Chandler, Jr.
Title: Senior Vice President - Law

ASSIGNEE:

Locin Oil Corporation

By: 
Name: Michael J. Nicol
Title: President

STATE OF TEXAS §

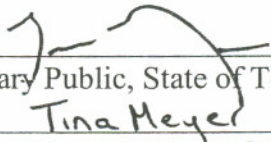
COUNTY OF HARRIS §

This instrument was acknowledged before me on June 30, 2004, by Lewis P. Chandler, Jr., Senior Vice President – Law of EOG Resources, Inc., a Delaware corporation, on behalf of said corporation.



My Commission Expires:

9-11-2007



Notary Public, State of Texas
Tina Meyer

Printed/Typed Name of Notary

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on June 30, 2004, by Michael J. Nicol, President of Locin Oil Corporation, a Texas corporation, on behalf of said corporation.



My Commission Expires:

9-11-2007



Notary Public, State of Texas
Tina Meyer

Printed/Typed Name of Notary

EXHIBIT "A"
TO
ASSIGNMENT AND BILL OF SALE DATED EFFECTIVE AS OF MAY 1, 2004
SOUTH SPRINT PROSPECT

EOG LEASE / CONTRACT NO.	STATE OF TEXAS	COUNTY OF KLEBERG	LEASE DATE	BOOK	PAGE	DOCUMENT	DESCRIPTION
	ORIGINAL LESSOR	ORIGINAL LESSEE					
K0062269		SOUTH SPRINT TEMPORARY FIELDWIDE GAS UNIT	1986-06-11	500	7	POOLING AGREEMENT	2,112.00 ACRES OF LAND, MORE OR LESS, OUT OF STATE TRACTS 979-S, 980-S, 981-S, 983-S, AND 984-S IN THE MUSTANG ISLAND AREA OF THE GULF OF MEXICO AS TO GAS AND ASSOCIATED HYDROCARBONS FROM THE STRATIGRAPHIC EQUIVALENT OF THE SAND OR RESERVOIR ENCOUNTERED AT A DEPTH OF 7,828 FEET ELM DOWN TO A DEPTH OF 7978 FEET ELM IN THE AMOCO #1 STATE TRACT 981-S UNDERLYING THE SURFACE BOUNDARIES OF THE POOLED UNIT.
0066521-000	TEXAS, STATE OF	PAN AMERICAN	1966-05-03	205	51	LEASE	1192 ACRES OF LAND, MORE OR LESS, OUT OF TR 979-S, GULF OF MEXICO, KLEBERG COUNTY, TX. INsofar AS SAID LEASE COVERS 384 ACRES DESCRIBED IN THAT CERTAIN POOLING AGREEMENT FOR THE SOUTH SPRINT TEMPORARY FIELDWIDE UNIT DATED JUNE 11, 1986, BETWEEN STATE OF TEXAS AND AMOCO PRODUCTION COMPANY, RECORDED IN VOL. 500, PAGE 7, DEED RECORDS, KLEBERG COUNTY, TEXAS. (M-59480)
0066522-000	TEXAS, STATE OF	PAN AMERICAN	1966-05-03	205	55	LEASE	640 ACRES OF LAND, MORE OR LESS, OUT OF TR 981-S, GULF OF MEXICO, KLEBERG COUNTY, TX. INsofar AS SAID LEASE COVERS 550 ACRES DESCRIBED IN THAT CERTAIN POOLING AGREEMENT FOR THE SOUTH SPRINT TEMPORARY FIELDWIDE UNIT DATED JUNE 11, 1986, BETWEEN STATE OF TEXAS AND AMOCO PRODUCTION COMPANY, RECORDED IN VOL. 500, PAGE 7, DEED RECORDS, KLEBERG COUNTY, TEXAS. (M-59481)

EOG LEASE / CONTRACT NO.	STATE OF TEXAS	COUNTY OF KLEBERG	LEASE DATE	BOOK	PAGE	DOCUMENT	DESCRIPTION
	ORIGINAL LESSOR	ORIGINAL LESSEE					
0066523-000	TEXAS, STATE OF	PAN AMERICAN	1967-11-07	215	373	LEASE	710 ACRES OF LAND, MORE OR LESS, OUT OF TR 980-S, GULF OF MEXICO, KLEBERG COUNTY, TX. INsofar AS SAID LEASE COVERS 320 ACRES DESCRIBED IN THAT CERTAIN POOLING AGREEMENT FOR THE SOUTH SPRINT TEMPORARY FIELDWIDE UNIT DATED JUNE 11, 1986, BETWEEN STATE OF TEXAS AND AMOCO PRODUCTION COMPANY, RECORDED IN VOL. 500, PAGE 7, DEE RECORDS, KLEBERG COUNTY, TEXAS. (M-61874)
0066524-000	TEXAS, STATE OF	PAN AMERICAN	1967-11-07	215	378	LEASE	640.00 ACRES OF LAND, MORE OR LESS, OUT OF TR 984-S, GULF OF MEXICO, KLEBERG COUNTY, TX. INsofar AS SAID LEASE COVERS 154 ACRES DESCRIBED IN THAT CERTAIN POOLING AGREEMENT FOR THE SOUTH SPRINT TEMPORARY FIELDWIDE UNIT DATED JUNE 11, 1986, BETWEEN STATE OF TEXAS AND AMOCO PRODUCTION COMPANY, RECORDED IN VOL. 500, PAGE 7, DEED RECORDS, KLEBERG COUNTY, TEXAS. (M-61875)
0066525-000	TEXAS, STATE OF	AMOCO PRODUCTION COMPANY	1984-10-02	462	99	LEASE	640 ACRES OF LAND, MORE OR LESS, OUT OF TR 983-S, GULF OF MEXICO, KLEBERG COUNTY, TX. INsofar AS SAID LEASE COVERS 400 ACRES DESCRIBED IN THAT CERTAIN POOLING AGREEMENT FOR THE SOUTH SPRINT TEMPORARY FIELDWIDE UNIT DATED JUNE 11, 1986, BETWEEN STATE OF TEXAS AND AMOCO PRODUCTION COMPANY, RECORDED IN VOL. 500, PAGE 7, DEEL RECORDS, KLEBERG COUNTY, TEXAS. (M-90598)
0066526-000	TEXAS, STATE OF	AMOCO PRODUCTION COMPANY	1980-10-07	387	260	LEASE	486 ACRES OF LAND, MORE OR LESS, OUT OF TR 984-S, GULF OF MEXICO, KLEBERG COUNTY, TX. INsofar AS SAID LEASE COVERS 304 ACRES DESCRIBED IN THAT CERTAIN POOLING AGREEMENT FOR THE SOUTH SPRINT TEMPORARY FIELDWIDE UNIT DATED JUNE 11, 1986, BETWEEN STATE OF TEXAS AND AMOCO PRODUCTION COMPANY, RECORDED IN VOL. 500, PAGE 7, DEED RECORDS, KLEBERG COUNTY, TEXAS. (M-83819)