

05-10-94P02:51 RCVD

GENERAL CONVEYANCE

THIS GENERAL CONVEYANCE (this "Conveyance") executed by AMAX OIL & GAS INC., a Delaware corporation, whose address is 200 West Lake Park Boulevard, Houston, Texas 77079 (hereinafter called "Assignor"), to UNIVERSAL RESOURCES CORPORATION, a Texas corporation, whose address is 79 South State Street, P. O. Box 11070, Salt Lake City, Utah 84147 (hereinafter called "Assignee"), dated effective at 7:00 a.m., local time, on March 31, 1994, said time to be determined for each locality in which the Assets (hereinafter defined) are located in accordance with the time generally observed in said locality (said hour and day hereinafter called the "Effective Time"). Assignor and Assignee are sometimes referred to collectively herein as the "Parties" or each individually as a "Party". Capitalized terms used but not otherwise defined herein shall have the meanings set forth in that certain Asset Sale and Purchase Agreement dated as of March 18, 1994 (the "Agreement"), by and between Union Pacific Resources Company ("UPRC"), as Seller, and Assignee, as Buyer.

ARTICLE IConveyance of Assets

Assignor, for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee, the receipt and sufficiency of which consideration are hereby acknowledged and confessed, by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER unto Assignee, the following described properties:

All of Assignor's right, title and interest in and to the following (except to the extent constituting Excluded Assets (hereinafter defined)):

- (i) All of the wells for the production of Hydrocarbons (hereinafter defined) described on Exhibit A attached hereto (the "Wells"). As used in this Conveyance, the term "Hydrocarbons" means crude oil, natural gas, casinghead gas, coalbed methane, condensate, natural gas liquids and other gaseous and liquid hydrocarbons or any combination thereof;
- (ii) All other leasehold interests, mineral interests, fee and surface interests and royalty interests, including, without limitation, working interests, overriding royalty interests, reversionary interests, non-consent interests, and any other interests of a similar nature, owned by Assignor within the boundaries of the geographic area identified as the "North Region" in Exhibit B attached hereto (the "North Region") on the date UPRC acquires all of the capital stock of Assignor pursuant to that certain Stock Purchase Agreement dated March 1, 1994, by and between UPRC and Amax Coal Company, and further including, without limitation and without duplication, the royalty interests, mineral interests and surface interests described in Exhibit C attached hereto;
- (iii) All of the licenses, permits, contracts, agreements and other instruments owned by Assignor (other than bonds posted by Assignor or UPRC) which concern and relate to any of the Wells, Leases (hereinafter defined) and/or Lands (hereinafter defined), and from which Assignor derives its ownership of production from the Wells, but INsofar AND ONLY INsofar as same concern or relate exclusively to the Leases, Lands and/or Wells or the operation thereof, including, without limitation, oil, gas and condensate purchase and sale contracts; permits; rights-of-way; easements; licenses; servitudes; estates; surface leases; farmin and farmout agreements; bottomhole agreements; dry hole agreements; area-of-mutual-interest agreements; salt water disposal agreements; acreage contribution agreements; operating agreements; unit agreements; pooling agreements; pooling orders; communitization agreements; processing, gathering, compression and transportation agreements;

facilities or equipment leases relating thereto or used or held for use in connection with the ownership or operation thereof or with the production, treatment, sale or disposal of Hydrocarbons; and all other contracts and agreements related to the Leases, Lands and/or Wells. As used in this Conveyance, the term (i) "Leases" means the oil and gas leases, oil, gas, and mineral leases, royalties, overriding royalties, production payments, net profits interests, fee minerals, and other oil, gas, and mineral interests (together with contractual rights, options or interests in and to any of the foregoing) owned by Assignor in the North Region, including, without limitation, the leases described in Exhibit D attached hereto, (ii) "Lands" means the lands covered by the Leases and the Units (hereinafter defined), and (iii) "Units" means all unitization, communitization, pooling agreements and orders covering the lands subject to the Leases, or any portion thereof, and the units and pooled or communitized areas created thereby;

- (iv) All the tangible personal property, tools, machinery, vehicles, materials, pipelines, gas plants, gathering systems, equipment, fixtures and improvements, which are located in the North Region and are incident or attributable to the Wells, Leases and/or Lands or are located in the North Region and are used or obtained solely in connection with the Wells, Leases and/or Lands or with the production, treatment, sale or disposal of Hydrocarbons or water produced therefrom or attributable thereto, including, without limitation, the gas plant facilities described on Exhibit E attached hereto, and all tangible personal property located in Assignor's Houston office which relates specifically and exclusively to the assets owned by Assignor in the North Region;
- (v) All of the original files, records, information and data specifically and exclusively relating to the other Assets in the possession of Assignor or UPRC, including, without limitation, title records (including abstracts of title, title opinions, certificates of title and title curative documents), contracts, correspondence, seismic data and interpretations, geological data and information (including maps and interpretations thereof), production records, electric logs (including cross-sections and correlations thereof), core data, pressure data, decline curves, graphical production curves, drilling reports, well completion reports, drill stem test charts and reports, engineering reports, regulatory reports, and all related materials INsofar AND ONLY INsofar as the foregoing items constitute materials that may be lawfully conveyed to Assignee (i.e. the materials are not subject to a proprietary agreement precluding their transfer to Assignee);
- (vi) To the extent transferable, all other contract rights, intangible rights (excluding Assignor's or UPRC's trademarks and service marks), inchoate rights, choses in action, rights under warranties made by prior owners (other than Assignor or any Affiliate of Assignor), manufacturers, vendors or other third parties, and rights accruing under applicable statutes of limitation or prescription INsofar AND ONLY INsofar as the foregoing items accrue or are attributable exclusively to the other Assets;
- (vii) All payments, and all rights to receive payments, with respect to the ownership of the production of Hydrocarbons from or the conduct of operations on the Assets and the interest to be conveyed to Assignee hereunder accruing after the Closing Date and with respect to the sale, salvage, disposition or destruction of the Assets to be conveyed to Assignee hereunder after the Closing Date; and
- (viii) That certain Contract dated October 31, 1986, between General Electric Company, Aircraft Engine Business Group (Albuquerque Plant) and Ladd Gas Marketing Inc.(Contract No. SGEAL10001).

Assignor hereby EXCEPTS and RESERVES from this Conveyance in favor of itself, its successors and assigns, forever, the following rights, titles and interests (collectively, the "Excluded Assets"):

- (a) Any Assignor employment, consulting, accounting, and attorney or litigation contracts or arrangements (except to the extent expressly assigned by Assignor or UPRC to Assignee);
- (b) All cash, deposits, checks, funds, accounts receivable, notes receivable, or similar items attributable to the Assets with respect to any period of time prior to the Closing Date;
- (c) All corporate, financial, tax and legal (other than title) records of Assignor, and one copy of all title records which may be retained by Assignor;
- (d) All bonds and contracts of insurance or indemnity of Assignor and any claims thereunder;
- (e) All employee benefit, severance and pension plans of Assignor;
- (f) All Hydrocarbon production from or attributable to the Assets with respect to all periods prior to the Closing Date, all proceeds attributable thereto, and all Hydrocarbons that, at the Closing Date, are owned by Assignor and are in storage within processing plants, in pipelines, or otherwise held in inventory and all proceeds attributable thereto;
- (g) Any refund of costs, taxes, or expenses or claims therefor and any loss carry forwards with respect to taxes or claims therefor attributable to the period prior to the Closing Date;
- (h) All mineral interests and royalty interests owned by Assignor in the State of Texas;
- (i) The contracts described in Exhibit F attached hereto; and
- (j) All rights, interests, assets, and properties described in Exhibit G attached hereto.

The rights, titles and interests granted, bargained, sold, conveyed, assigned, transferred, set over and delivered pursuant to this Article I are hereinafter collectively called the "Assets".

TO HAVE AND TO HOLD the Assets unto Assignee, Assignee's successors and assigns, forever; subject, however, to the matters set forth herein.

## ARTICLE II

### Disclaimer of Representations and Warranties; Permitted Encumbrances

**SECTION 2.1 *Disclaimer of Representations and Warranties.*** THE ASSETS ARE ASSIGNED TO ASSIGNEE WITHOUT ANY WARRANTY OF TITLE EITHER EXPRESS OR IMPLIED, AND WHETHER BY COMMON LAW, STATUTE OR OTHERWISE. ALL PERSONAL PROPERTY, IMPROVEMENTS AND FIXTURES CONSTITUTING A PORTION OF THE ASSETS ARE ASSIGNED TO ASSIGNEE "AS IS, WHERE IS." WITHOUT LIMITATION OF THE GENERALITY OF THE IMMEDIATELY PRECEDING SENTENCE, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES AS TO PERSONAL PROPERTY, IMPROVEMENTS AND FIXTURES ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, AND WHETHER BY COMMON LAW OR OTHERWISE, AS TO (A) MERCHANTABILITY, (B) FITNESS FOR A PARTICULAR PURPOSE, (C) CONDITION AND (D) CONFORMITY TO MODELS OR SAMPLES OF MATERIALS.

Section 2.2 Permitted Encumbrances. Without in any way limiting the provisions of Section 2.1 above, the Assets are assigned and conveyed by Assignor and accepted by Assignee expressly subject to the following (the "Permitted Encumbrances"):

- (i) liens for taxes not yet due or, if due, being challenged in good faith by appropriate proceedings;
- (ii) materialman's, mechanics' and other similar liens or charges arising in the ordinary course of business for obligations that are not delinquent and that will be paid or discharged in the ordinary course of business or, if delinquent, that are being contested in good faith in the ordinary course of business;
- (iii) easements, rights-of-way, servitudes, permits, surface leases, and other rights in respect of surface operations that do not materially interfere with Assignor's operations of the portion of the Assets burdened thereby;
- (iv) rights reserved to or vested in any governmental authority to control or regulate any of the Wells or Units and all applicable laws, rules, regulations and orders of such authorities so long as the same:
  - (a) do not decrease Assignor's NRI below the NRI shown in Exhibit A, as the case may be, or increase Assignor's WI above the WI shown in Exhibit A, as the case may be, without at least a proportionate increase in Assignor's NRI, or
  - (b) create any liens in respect of such Wells or Units;
- (v) any Title Defects that Assignee may have expressly waived in writing or which are deemed to have been waived under Article 5.02(b) of the Agreement;
- (vi) liens arising under operating agreements, unitization and pooling agreements, orders and statutes and production sales contracts securing amounts not yet due or, if due, being contested in good faith in the ordinary course of business;
- (vii) the terms and conditions of all contracts and agreements relating to the Leases, Wells and Units, including, without limitation, exploration agreements, gas sales contracts, processing agreements, farmins, farmouts, operating agreements, and right-of-way agreements, to the extent such terms and conditions:
  - (a) do not decrease Assignor's NRI below the NRI shown in Exhibit A, as the case may be, or increase Assignor's WI above the WI shown in Exhibit A, as the case may be, without at least a proportionate increase in Assignor's NRI,
  - (b) are normal and customary in the oil and gas industry, and
  - (c) would not conflict with any other portion of this definition of Permitted Encumbrances;
- (viii) royalties, overriding royalties, net profits interests, production payments, reversionary interests, and similar interests that do not decrease Assignor's NRI below the NRI shown in Exhibit A, as the case may be, or increase Assignor's WI above the WI shown in Exhibit A, as the case may be, without at least a proportionate increase in Assignor's NRI;
- (ix) conventional rights of reassignment requiring notice to the holders of the rights prior to surrendering or releasing a leasehold interest;
- (x) calls on production exercisable only at prices substantially equivalent to then current fair market value;

- (xi) Transfer Requirements and Preference Rights other than any such Transfer Requirements or Preference Rights which were applicable to a previous transaction involving the transfer of all or any portion of the Assets but were not complied with at the time of the consummation of such transaction; and
- (xii) those matters listed in Item (e) of Schedule 3.01 to the Agreement.

By Assignee's acceptance of this Conveyance, Assignee assumes and agrees to keep and perform the obligations of Assignor under the Permitted Encumbrances which accrue from and after the Effective Time.

### ARTICLE III

#### Miscellaneous

Section 3.1 Further Assurances. Without limiting the provisions of Article II above, Assignor covenants and agrees to execute and deliver to Assignee all such other and additional instruments and other documents as may be reasonably necessary to more fully assure to Assignee or Assignee's successors or assigns all of the respective properties, rights and interests herein and hereby granted or intended so to be, including, without limitation, executing separate assignments of individual oil, gas and mineral leases or interests therein, which are included in the Assets and which are necessary to facilitate the recognition of Assignee's ownership of the Assets by all applicable governmental or tribal agencies and authorities. Such separate assignments (i) shall evidence the conveyance and assignment of the applicable Assets herein made, and shall not constitute an additional conveyance or assignment of the Assets, (ii) are not intended to modify, and shall not modify, any of the terms, covenants and conditions herein set forth and are not intended to create and shall not create any representations, covenants or warranties of or by Assignor to Assignee, and (iii) shall be deemed to contain all of the terms and provisions hereof, as fully and to all intents and purposes as though the same were set forth at length in the separate assignments. This Conveyance, insofar as it pertains to those Assets as to which separate assignments have been, or will be, executed for filing with and approval by applicable governmental or tribal agencies and authorities, is made and accepted subject to the approval of such applicable governmental or tribal agencies and authorities and to the terms of such approval if and to the extent required by law.

Section 3.2 Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of Assignor and Assignee. All references herein to either Assignor or Assignee shall include their respective successors and assigns.

Section 3.3 Counterparts. This Conveyance is being executed in several original counterparts. Each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same conveyance.

Section 3.4 Consideration. The true and actual consideration paid by Assignee hereunder is set forth on Attachment 1 hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Conveyance to be executed to be effective as of the Effective Time.

ASSIGNOR:


AMAX OIL & GAS INC.

By Wm Searcy  
W. M. Searcy, Attorney-in-Fact

ASSIGNEE:

UNIVERSAL RESOURCES CORPORATION

By

  
 G. L. Nordloh, President and Chief  
 Executive Officer

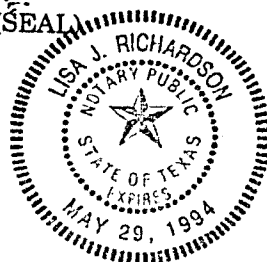
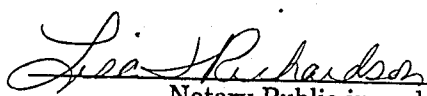
THE STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on March 31, 1994, by W. M. Searcy, Attorney-in-Fact on behalf of AMAX OIL & GAS INC., a Delaware corporation, on behalf of said corporation.

(SEAL)

 Notary Public in and for  
 the State of Texas

(Printed Name of Notary Public)

My commission expires:

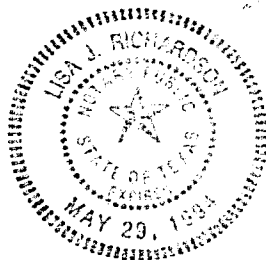
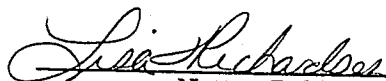
THE STATE OF TEXAS

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COUNTY OF HARRIS

This instrument was acknowledged before me on March 31, 1994, by G. L. Nordloh, President and Chief Executive Officer of UNIVERSAL RESOURCES CORPORATION, a Texas corporation, on behalf of said corporation.

(SEAL)

 Notary Public in and for  
 the State of Texas

(Printed Name of Notary Public)

My commission expires:

After recording, please return instrument to:

J. B. NEESE  
 UNIVERSAL RESOURCES CORPORATION  
 1331 17TH STREET, SUITE 800  
 DENVER, COLORADO 80202



14756

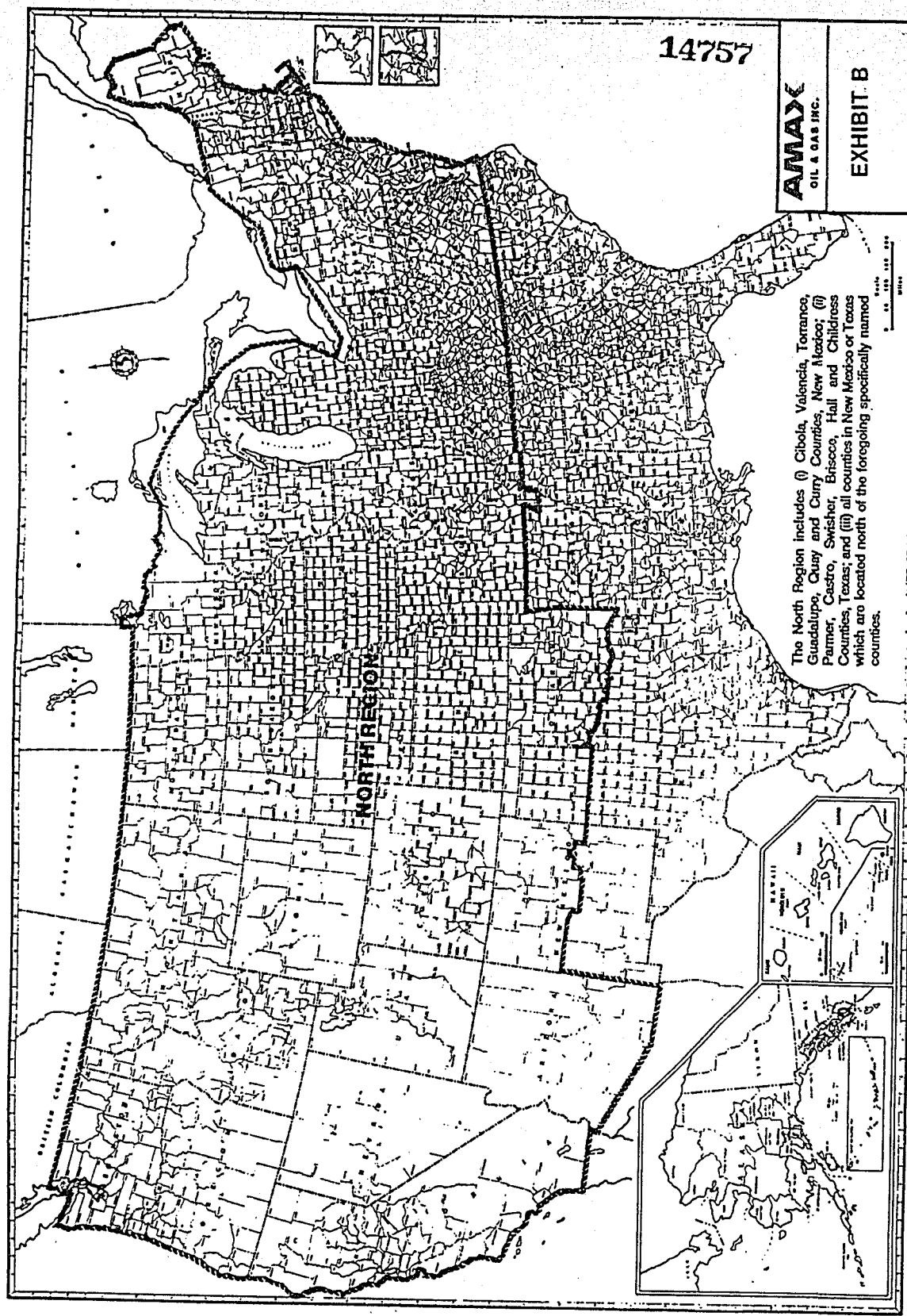
EXHIBIT A

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14757

**AMAX**  
OIL & GAS INC.

**EXHIBIT B**





STATE	COUNTY	FILE NUMBER	TOWNSHIP	RANGE	SECTION	TRACT NO	TRACT SEQ	EXHIBIT "C"	PORTION
OR	KLAMATH	M-07595	36S	11E	8	001	01		N/2 S/2 BEING LOTS 17-24
		M-07596	36S	11E	15	001	01		S/2 SW/4 BEING LOTS 27-30
		M-07597	36S	11E	22	001	01		SE/4 SW/4

EXHIBIT D

14759

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EXHIBIT E

14760

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SCHEDULE 1.01(b)

1. Contract dated August 12, 1983, between Amax Gas Marketing Inc., successor to Funk Exploration Inc., and Gulf States Utilities Company (Amax Contract No. SGSUI10001).
2. Contract dated August 25, 1983, between Amax Gas Marketing Inc., successor to Funk Exploration Inc., and Gulf States Utilities Company (Amax Contract No. SGSUI10002).
3. Contract dated September 1, 1993, between Amax Gas Marketing Inc. and The Procter & Gamble Paper Products Company (Amax Contract No. SPGPP10001).
4. Contract dated August 7, 1987, between Amax Gas Marketing Inc., successor to Ladd Petroleum Corporation, and Powersmith Cogeneration Project, Limited Partnership, successor to Firestone Cogeneration Joint Venture.

EXHIBIT G

14762

NONE

ATTACHMENT 1

14763

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Univeral Resources Corp. the 10th day  
of May A.D., 19 94 at 2:51 o'clock P M., and duly recorded in Vol. M94  
of Deeds on Page 14750.

FEE \$95.00

Evelyn Biehn County Clerk

By Dorlene Millender