

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE ("Assignment"), effective as of 7:00 a.m., Central Daylight Savings Time, on November 1, 1998, the ("Effective Date"), is made by **HOWELL PETROLEUM CORPORATION**, a Delaware corporation, whose address is 1111 Fannin, Suite 1500, Houston, Texas 77002 (herein called "Grantor") to **TORMIN, INC.**, a Delaware corporation, whose address is c/o Toreador Royalty Corporation, 4809 Cole Avenue, Suite 108, Dallas, Texas 75205, (herein called "Grantee").

For good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged by Grantor, Grantor does hereby grant, bargain, transfer, convey, set over, assign and deliver unto Grantee, its successors and assigns the following properties, assets, rights, and obligations:

All of Grantor's right, title and interest of every kind and character in, to and under any severed oil, gas, coal, bauxite and any other minerals of every kind and character in the states of Mississippi, Alabama and Louisiana, including but not limited to those described on Exhibit "A", attached hereto and made a part hereof for all purposes, and including any and all interests of Grantor therein, including, without limitation, executory interests, reversionary interests, net profits interests, net revenue interests, mineral servitudes, fee mineral interests, term interests, royalty and overriding royalty interests, and any other interests of similar nature which Grantor acquired from The Federal Intermediate Credit Bank of Jackson (FICBJ) in the states of Mississippi, Alabama, and Louisiana (hereinafter the "Interests"). Grantee acknowledges that Exhibit "A" is attached hereto for descriptive purposes only and does not enlarge or restrict the grant in any manner, nor does it constitute a warranty or representation regarding the number of acres conveyed, nor their location and value.

This transfer includes all of Grantor's right, title and interest, if any, in and to all petroleum, hydrocarbons and gases sold from or attributable to the Interests, or any unit of which an Interest is a part, after the Effective date; however, Grantor reserves and excepts all proceeds attributable to the Interests for production produced and sold prior to the Effective Date.

TO HAVE AND TO HOLD the Interests unto Grantee, its successors and assigns, forever.

This Assignment is made and accepted subject to the following:

1. THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE IS MADE AND ACCEPTED WITHOUT WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WARRANTIES RELATING TO (i) TITLES TO THE SUBJECT PROPERTY, (ii) THE CONDITION OR MERCHANTABILITY OF THE SUBJECT PROPERTY OR THE FITNESS OF THE SUBJECT PROPERTY FOR A PARTICULAR PURPOSE OR PURPOSES, AND (iii) THE VALUE OF THE INTERESTS OR THE RESERVES ATTRIBUTABLE THERETO. HOWEVER, GRANTOR REPRESENTS THAT IT HAS NOT MORTGAGED, PLEDGED, OR HYPOTHECATED ANY OF THE INTERESTS SINCE ACQUIRING THEM FROM THE FEDERAL INTERMEDIATE CREDIT BANK OF JACKSON IN 1993, EXCEPT AS HAVE BEEN PREVIOUSLY RELEASED.
2. TO THE EXTENT REQUIRED TO BE OPERATIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE, OR ORDER. GRANTOR EXPRESSLY DISCLAIMS AND NEGATES AS TO PERSONAL PROPERTY AND FIXTURES, IF ANY, (i) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (ii) ANY IMPLIED OR EXPRESS

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WARRANTY OF CONFORMITY TO MODELS (iii) AND IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OR MATERIALS. GRANTEE EXPRESSLY AGREES THAT TITLE TO SUCH PERSONAL PROPERTY, IF ANY, WILL BE ACCEPTED "AS IS, WHERE IS, AND WITH ALL FAULTS," AND IN ITS PRESENT CONDITION AND STATE OF REPAIR. THE EXPRESS WARRANTY OF GRANTOR HEREIN IS EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES, IF ANY, OF OIL, GAS OR OTHER HYDROCARBONS IN OR UNDER THE INTERESTS OR THE CONDITIONS OF THE INTERESTS.

3. Grantor hereby gives and grants to Grantee, its successors and assigns, to the extent so transferable, full power and right of substitutes and subrogation in and to all covenants and warranties by others heretofore given or made in respect to the Interests or any part thereof.
4. This Assignment and Conveyance is made subject to the terms and provisions of the Purchase and Sale Agreement between Grantor and Grantee dated effective November 1, 1998 (the "Agreement"). Notwithstanding anything to the contrary in this Assignment or in the Agreement, the covenants, indemnities and other terms and provisions of this Assignment are in addition to and not in lieu of, the covenants, indemnities and other terms and provisions set forth in the Agreement, and all covenants, indemnities and other terms and provisions set forth in this Assignment and the Agreement shall remain in full force and effect on and after the Effective Date. All covenants and obligations provided for by this Assignment and the Agreement shall be deemed to be covenants running with the Interests, land, and units and any transfer or other disposition of the Interests, land and units shall be made subject to the terms and conditions of this Assignment and the Agreement. This Assignment is subject to that certain Purchase and Sale Agreement dated July 16, 1993 between The Federal Intermediate Credit Bank of Jackson and Howell Petroleum Corporation and all assignments which were executed in accordance therewith.
5. Grantee hereby assumes and agrees to pay, perform and discharge its proportionate share of all obligations under the Interests and the agreements relating to the Interests herein assigned. The references herein to obligations and encumbrances shall not be deemed to ratify or create any rights in third parties.
6. To the extent that any land descriptions on Exhibit "A" are incorrect or not legally sufficient, Grantor agrees to execute correction assignments to more properly describe the lands conveyed herein. Grantor agrees to sign, execute and deliver, or cause to be signed, executed and delivered any and all instruments necessary to convey the Interests with respect to which it is subsequently determined that Grantee owns an Interest.
7. This instrument shall be governed and construed and enforced in accordance with the laws of the state where the property is located without regard to principles of conflicts of laws otherwise applicable to such determinations.
8. This Assignment and all of the terms, provisions, covenants, obligations, indemnities, representatives, warranties, and conditions herein contained and contained within the Agreement shall be binding upon and inure to the benefit of and be enforceable by the Grantor, Grantee and their respective successors, legal representatives, and assigns.
9. This conveyance is made subject to all valid and subsisting oil, gas and other mineral leases on any part of the Interests.

For the same consideration, Grantor hereby sells, transfers, assigns and conveys unto Grantee all of Grantor's right, title and interest in all rentals, royalties, and other benefits accruing or to accrue under any of said leases covering any part of the Interests conveyed hereby from and after the Effective Date.

10. Grantee acknowledges that Grantor is not conveying its working interests owned by Grantor in the mineral estates, including but not limited to those specifically described on Exhibit "A".

Executed this 9th day of December, 1998 but effective for all purposes as of the Effective Date, which is November 1, 1998.

Witnesses:

Sally J. McElroy
Sally J. McElroy
Chereesa M. Scott
Chereesa M. Scott

GRANTOR:

HOWELL PETROLEUM CORPORATION

By:

Richard K. Hebert
Richard K. Hebert
President

Witnesses:

Sally J. McElroy
Sally J. McElroy
Chereesa M. Scott
Chereesa M. Scott

GRANTEE:

TORMIN, INC.

By:

Edward C. Marhanka
Edward C. Marhanka
Vice President

CORPORATE ACKNOWLEDGEMENT

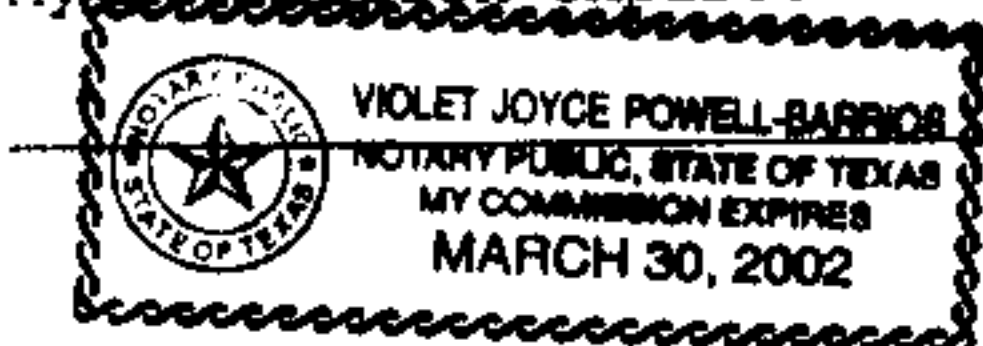
STATE OF TEXAS

COUNTY OF HARRIS

Personally appeared before me, the undersigned authority in and for the said county and state, on this 9th day of December, 1998, within my jurisdiction, the within named RICHARD K. HEBERT, PRESIDENT of **HOWELL PETROLEUM CORPORATION**, a Delaware corporation, with its principal office in Houston, Texas, who acknowledged before me on this day that, being informed of the contents of the Assignment, Bill of Sale and Conveyance, he signed and delivered the above and foregoing instrument, for and on behalf of said corporation after first having been duly authorized by said corporation so to do for the uses and purposes set forth therein.

Violet Joyce Powell-Barrion
NOTARY PUBLIC

My commission expires:



CORPORATE ACKNOWLEDGEMENT

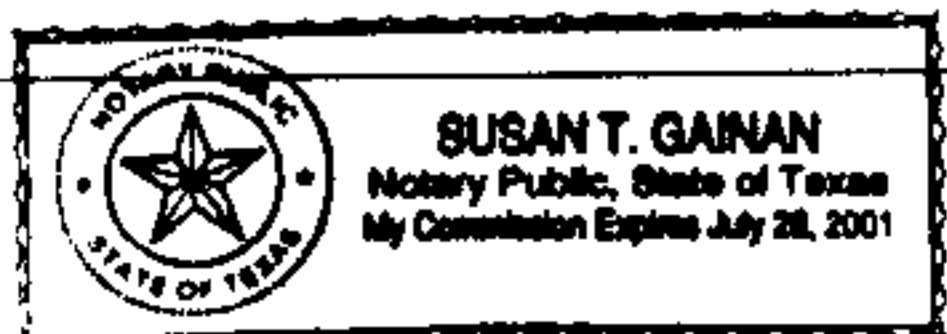
STATE OF TEXAS

COUNTY OF HARRIS

Personally appeared before me, the undersigned authority in and for the said county and state, on this 16 day of December, 1998, within my jurisdiction, the within named EDWARD C. MARHANKA, VICE PRESIDENT OF **TORMIN, INC.**, a Delaware corporation, who acknowledged before me on this day that, being informed of the contents of the Assignment, Bill of Sale and Conveyance, that he signed and delivered the above and foregoing instrument, for and on behalf of said corporation after first having been duly authorized by said corporation so to do for the uses and purposes set forth therein.

Susan T. Gaiwan
NOTARY PUBLIC

My commission expires:



This instrument was prepared by:

Howell Petroleum Corporation
1500 Howell Building, 1111 Fannin Street
Houston, Texas 77002-6923

EXHIBIT "A"

It is the intention of the parties hereto that this Assignment covers and includes and Howell Petroleum Corporation ("HPC") does hereby convey unto Tormin, Inc. all of HPC's right, title and interest in and to all severed oil, gas, coal, lignite and bauxite granite, sand, gravel and other minerals and royalty rights of any kind or character which HPC acquired from The Federal Intermediate Credit Bank of Jackson (FICBJ) (hereinafter "HPC's Mineral Estate") in the states of Alabama, Mississippi and Louisiana, whether correctly described herein or not or whether described herein at all. The lands covered by this instrument include any and all of HPC's Mineral Estate acquired from the FICBJ, including, but not limited to, by deed, by deed in lieu of foreclosure, or by foreclosure.

SHELBY COUNTY, ALABAMA

An undivided one-half mineral interest in and to the following described lands: The W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 36, Township 21 South, Range 3 West, containing 80 acres, more or less.

An undivided one-half mineral interest in and to the following described lands: SW $\frac{1}{4}$ of SE $\frac{1}{4}$, Section 22; 27 acres on the East side of NE $\frac{1}{4}$ of NW $\frac{1}{4}$, Section 27; W $\frac{1}{2}$ of NE $\frac{1}{4}$, Section 27, all in Township 18 South, Range 2 East.

An undivided one-half mineral interest in and to the following described lands: The NE $\frac{1}{4}$ of NE $\frac{1}{4}$, and all of the NW $\frac{1}{4}$ of NE $\frac{1}{4}$, except 5.9 acres heretofore conveyed to E. L. Crumpton which is more particularly described as beginning at the Northwest corner of the NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 34, Township 21 South, Range 1 East, running thence South 15 rods to a wet weather branch, thence up said branch in an Easterly direction to the Section line between Sections 27 and 34, thence due West along the section line to the point of beginning. Also all of the NE $\frac{1}{4}$ of NW $\frac{1}{4}$, except 1 $\frac{9}{10}$ acres heretofore conveyed to W. B. Crumpton, the same being described as follows: Beginning at the Northwest corner of the NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 34, Township 21 South, Range 1 East, thence running due South 19 $\frac{1}{2}$ rods to a ditch, thence along said ditch in an Easterly direction 8 rods, thence along ditch in a Northeasterly direction 26 $\frac{1}{2}$ rods, thence due West 22 $\frac{1}{2}$ rods to the point of beginning. All above described land in Section 34, Township 21 South, Range 1 East, and containing 113 acres, more or less; all situated in Shelby County, Alabama.

An undivided one-half mineral interest in and to the following described lands: SE $\frac{1}{4}$ of SW $\frac{1}{4}$, Section 22, Township 21 South, Range 1 East.

An undivided one-half mineral interest in and to the following described lands: Starting at the corner of a yard fence at the Southeast corner and running East of North along a plank fence to the Dan Avery lot, thence Northwest to the old schoolhouse lot, thence West of South with the road to the corner of plank fence at the sawdust pile, thence along said fence to the starting point and containing 2 acres, more or less and being a part of NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 14, Township 18 South, Range 1 East.

An undivided one-half mineral interest in and to the following described lands: The E $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 28, Township 19 South, Range 1 East, all situated in Shelby County, Alabama.

An undivided one-half mineral interest in and to the following described lands: SE $\frac{1}{4}$ of SW $\frac{1}{4}$ and E $\frac{1}{2}$ of NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 7, and E $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 18, all in Township 20 South, Range 1 East.

An undivided one-half mineral interest in and to the following described lands: E $\frac{1}{2}$ of SE $\frac{1}{4}$, Section 13, E $\frac{1}{2}$ of NE $\frac{1}{4}$; 5 acres in triangular form in Southeast corner of SW $\frac{1}{4}$ of NE $\frac{1}{4}$, Section 24, described as beginning at a point on East boundary line of said SW $\frac{1}{4}$ of NE $\frac{1}{4}$ 140 yards, South of Northeast corner of said 40, thence run

in a Southwesterly direction 270 yards to a point, thence in a Southeasterly direction 170 yards to Southeast corner of said 40, thence North to point of beginning, all in Township 18 South, Range 2 East.

An undivided one-half mineral interest in and to the following described lands: NE $\frac{1}{4}$ of NW $\frac{1}{4}$; 27 acres in the NW $\frac{1}{4}$ of NE $\frac{1}{4}$, more particularly described as follows: Beginning at the Northwest corner of the NW $\frac{1}{4}$ of NE $\frac{1}{4}$, thence South 2° 45' East 1335 feet, thence North 88° 10' East 899.3 feet, thence North 9° 50' West 58.8 feet, thence North 2° 45' West 1261.2 feet, thence South 88° 45' West 901.3 feet to beginning, all of the above being in Section 20, Township 22 South, Range 2 West.

An undivided one-half mineral interest in and to the following described lands: The NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ and 26 $\frac{2}{3}$ acres on the North side of SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 33, Township 21 South, Range 1 East, Shelby County, Alabama. The above described land is subject to a 100 foot right of way heretofore granted to the Alabama Power Company under date of April 25, 1922, said right of way being across the lands in Section 33, Township 21 South, Range 1 East.

An undivided one-half mineral interest in and to the following described lands: SW $\frac{1}{4}$ of SW $\frac{1}{4}$; E $\frac{1}{2}$ of SW $\frac{1}{4}$; SE $\frac{1}{4}$ of NW $\frac{1}{4}$, all in Section 1, Township 20 South, Range 2 East, subject to an outstanding right of way easement in favor of the Alabama Power Company, and less and except right of way heretofore granted for highway.

An undivided one-half mineral interest in and to the following described lands: E $\frac{1}{2}$, less N $\frac{1}{2}$ of NW $\frac{1}{4}$ of NE $\frac{1}{4}$; E $\frac{1}{2}$ of SW $\frac{1}{4}$; SE $\frac{1}{4}$ of NW $\frac{1}{4}$, Section 34; W $\frac{1}{2}$ of NW $\frac{1}{4}$; NE $\frac{1}{4}$ of NW $\frac{1}{4}$; SW $\frac{1}{4}$ of SW $\frac{1}{4}$, Section 35, all in Township 17 South, Range 1 East, NW $\frac{1}{4}$; W $\frac{1}{2}$ of NE $\frac{1}{4}$, Section 2, NE $\frac{1}{4}$ of NE $\frac{1}{4}$, Section 3, all in Township 18 South, Range 1 East, subject to rights of way for public road and telephone line.

An undivided one-half mineral interest in and to the following described lands: NW $\frac{1}{4}$ of NE $\frac{1}{4}$; all that part of the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ described as follows: Start at the Northwest corner of the NE $\frac{1}{4}$ of NE $\frac{1}{4}$, run thence South 440 yards, thence East 30 yards, thence Northwest to starting point, all in Section 4, Township 20 South, Range 1 East.

An undivided one-half mineral interest in and to the following described lands: 40 acres of land off of the North side of the following tract of land: W $\frac{1}{2}$ of NW $\frac{1}{4}$; W $\frac{1}{2}$ of E $\frac{1}{2}$ of NW $\frac{1}{4}$, Section 2, Township 24 North, Range 14 East, subject to right of way for public road.

An undivided one-half mineral interest in and to the following described lands: SW $\frac{1}{4}$ of SW $\frac{1}{4}$, Section 7, W $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 18; NW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 18, all in Township 22 South, Range 1 West,

SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 12, and the E $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 13; NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 13, except 3 acres in the Northwest corner, thereof; being 3 acres long East and West and 1 acre wide North and South; 2 acres in the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 13, beginning at the Northeast corner of said 40 acre tract and running South the width of 1 acre square, thence West the distance of 2 acres or 140 yards, thence North the distance of 1 acre, or 70 yards, thence East the distance of 2 acres or 140 yards, to the place of beginning. 17.5 acres, more or less, situated in the SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 12, lying East and South of the Southern Railroad, more particularly described as follows: Commencing at the Southeast corner of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of said Section 12, thence North 440 yards to the Northeast corner of said quarter section, thence West 139 yards to the right of way of the Southern Railroad, thence in a Southwesterly direction along the right of way of said railroad, 266 yards to the "Add Harvill" tract of land, being a 10 acre lot in the same 1/4 Section, thence along Add Harvill lot at right angles to said railroad, 403 $\frac{2}{3}$ yards to a point where said line intersects the South boundary line of Section 12, thence East along said Section line to the point of beginning, being about 15 feet from the point of intersection to the point of beginning, containing 17.5 acres, all that part of the NE $\frac{1}{4}$ of NW $\frac{1}{4}$ lying Southeast of the Southern Railroad except 5 acres owned by Will Jones, known as William Jones, and which was conveyed to said Jones by J. S. Collum, consisting of 8 acres, more or less and all of which said land is situated in Township 22 South, Range 2 West, Shelby County, Alabama, all of above and foregoing land consisting of 344.5 acres, more or less.

An undivided one-half mineral interest in and to the following described lands: The SE $\frac{1}{4}$ of SW $\frac{1}{4}$ and the SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 10, and the NW $\frac{1}{4}$ of NW $\frac{1}{4}$, and the E $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 15, all in Township 20 South, Range 1 West.

An undivided one-half mineral interest in and to the following described lands: NW $\frac{1}{4}$ of the NE $\frac{1}{4}$, Section 11; W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 2, all in Township 24 North, Range 13 East.

An undivided one-half mineral interest in and to the following described lands: N $\frac{1}{2}$ of the NE $\frac{1}{4}$, Section 20, Township 19 South, Range 2 East, less and except all that part thereof lying Northeast of the public road.

An undivided one-half mineral interest in and to the following described lands: The NE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Section 22, and the E $\frac{1}{2}$ of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 15; all in Township 20 South, Range 1 West, containing in all 60 acres, more or less.

An undivided one-half mineral interest in and to the following described lands: SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ and the N $\frac{1}{2}$ of the N $\frac{1}{2}$ of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$, Section 4, Township 21 South, Range 1 East, subject to right of way for public road.

An undivided one-half mineral interest in and to the following described lands: All of the NW $\frac{1}{4}$ of Section 20, Township 20 South, Range 2 East, except that part lying East of Yellow Leaf Creek, being about 3 acres near the Southeast corner of said quarter section.

An undivided one-half mineral interest in and to the following described lands: S½ of the NW¼; NW¼ of NW¼; and 10 acres off South side of NE¼ of NW¼, South of Yellow Leaf Creek, all in Section 29; W½ of NW¼ of NE¼, Section 19, all in Township 20 South, Range 2 East, subject to right of way for public road.

An undivided one-half mineral interest in and to the following described lands: S½ of NE¼, Section 19, Township 20 South, Range 2 East, NW¼ of the SW¼, Section 20, Township 20 South, Range 2 East and all that portion of the NE¼ of the SW¼ lying West of Yellow Leaf Creek, and all that portion of the SW¼ of SW¼ lying West of Yellow Leaf Creek, Section 20; all in Township 20 South, Range 2 East.

An undivided one-half mineral interest in and to the following described lands: W½ of NE¼ of SW¼; SE¼ of SW¼; SW¼ of SE¼, Section 11, Township 22 South, Range 3 West.

An undivided one-half mineral interest in and to the following described lands: The S½ of SE¼ and 10 acres on the South side of the NE¼ of SE¼ of Section 4; the W½ of NE¼ and SE¼ of NW¼ of Section 9, all in Township 24 North, Range 13 East.

An undivided one-half mineral interest in and to the following described lands: A part of the SW¼ of the NE¼ of Section 35, Township 20 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows: Begin at the Southeast corner of the SW¼ of the NE¼ of Section 35, Township 20 South, Range 3 West, Shelby County, Alabama; thence run West along the South line of said quarter-quarter for a distance of 872.44 feet to a point on the East right of way line of an existing road; thence turn an angle to the right of 88° 41' 52 1/2", and run in a Northerly direction along the East right of way line of said road for a distance of 382.20 feet; thence turn an angle to the right of 91° 18' 07 1/2", and run in an Easterly direction for a distance of 300 feet; thence turn an angle to the right of 88° 41' 52 1/2", and run in a Southerly direction for 75.00 feet; thence turn an angle to the left of 88° 41' 52 1/2", and run in an Easterly direction for a distance of 497.10 feet to a point on the Southwest right of way line of the Alabama Power Company right of way; thence turn an angle to the right of 65° 08' 12 1/2", and run in a Southeasterly direction along the Southwesterly right of way line of the Alabama Power Company right of way for a distance of 188.20 feet to the East line of said quarter-quarter; thence turn an angle to the right of 23° 31' 20", and run in a Southerly direction along the East line of said quarter-quarter for a distance of 136.40 feet to the point of beginning. Site contains 6.5 acres; a 20 foot easement is reserved along the Southwest right of way line of the Alabama Power Company right of way and North of the Buck Creek Outfall Sewer, and South of the North property line.

Shelby County
Gross Acres: 3,630
Net Acres: 1,819

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