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4284

ASSIGNMENT OF DEEDS OF TRUST  
FOR OIL AND GAS PROPERTIES AND OTHER  
SECURITY DOCUMENTS

THIS ASSIGNMENT is made this 8th day of February, 1988, by FIRST REPUBLICBANK DALLAS, N.A., a national banking association and successor by merger to InterFirst Bank Dallas, N.A., whose address is P. O. Box 63189, Dallas, Texas 75283-0189 ("FRED"), TEXAS COMMERCE BANK NATIONAL ASSOCIATION, a national banking association, whose address is P. O. Box 2558, 712 Main Street, Houston, Texas 77252-2558 ("TCB"), and THE FEDERAL DEPOSIT INSURANCE CORPORATION, in its corporate capacity as liquidator of The First National Bank of Midland, whose address is P. O. Box 8940, 303 Air Park Drive, Midland, Texas 79705 (the "FDIC"), (FRED, TCB and the FDIC being herein collectively referred to as the "Assignor"), to SOUTHWEST CORPORATION, a Georgia corporation, whose address is 1601 LBJ Freeway, Suite 800, Dallas, Texas 75234 ("Assignee").

1. Recitals. (a) Prior to the date hereof one or more of MGF Oil Corporation, MGF Drilling Company Midland, MGF Drilling Company - Houston, MGF Drilling Company-Casper, MGF Production Company, MGF Newsb, Inc., NFC Corporation and NFC Petroleum Corporation (the "MGF Entities"), whose address is 700 Vaughn Building, P. O. Box 360, Midland, Texas 79702, as Grantors (the "Grantors"), did execute and deliver unto The First National Bank of Midland ("FNB"), certain deeds of trust for oil and gas properties (the "Deeds of Trust") covering, among other property, oil and gas leases, interests and other properties owned by the Grantors and located within the continental United States of America (the "Mortgaged Property"), to secure promissory notes and other obligations (the "Notes") due and owing by the Grantors to FNB. In addition, one or more of the MGF Entities executed and delivered unto one or more of FRED, TCB, FNB and FDIC the "Original Security Documents," as that term is defined in the Lenders' Agreement, a copy of which is annexed as Exhibit A to the Plan of Reorganization Proposed by Parker and Parsley, dated April 29, 1987, as modified July 2, 1987, in Case No. 7-84-C2160-E-11 in the United States Bankruptcy Court for the Western District of Texas, Midland-Odessa Division, in Re: MGF Oil Corporation, Debtor, which Lenders' Agreement was supplemented by Agreement dated effective as of December 31, 1987.

(b) FNB subsequently may have assigned a part of its right, title, and interest in and to certain of the Notes and the Deeds of Trust to TCB and FRED, and the FDIC, in its corporate capacity, acquired all of the right, title, and

interest of FNB in and to the Notes, the Deeds of Trust and the Mortgaged Property.

2. Assignment. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, each Assignor does hereby sell, transfer and assign all of its right, title, and interest in and to the Deeds of Trust and the Original Security Documents, to Assignee, its successors and assigns, subject to the terms and provisions of the Notes, the Deeds of Trust, the Original Security Documents and this Assignment; provided, however, the liens and security interests of the Assignors in the Accounts, as that term is defined in the Assignments hereinafter described, each being of even date herewith, are hereby reserved and retained by the Assignors. Said Assignments are described as follows:

a. Assignment of Accounts Receivable by and between the Assignors and MCF Oil Corporation;

b. Assignment of Accounts Receivable by and between the Assignors and MCF Oil Corporation and NFC Petroleum Corporation;

c. Assignment of Accounts Receivable by and between the Assignors and MCF Drilling Company - Houston; and

d. Assignment of Accounts Receivable by and between the Assignors and MCF Drilling Company - Midland.

3. Effective Date. The effective date of this Assignment is December 31, 1987.

4. No Representations or Warranties. This Assignment is made WITHOUT RECOURSE, REPRESENTATION, OR WARRANTY, EXPRESS OR IMPLIED, including, without limitation, any representation or warranty concerning the accuracy and/or completeness of the descriptions of the oil and gas leases, interests and other properties in the Deeds of Trust and the Original Security Documents or any representation or warranty concerning the ownership by the Grantors, or any of them, of the Mortgaged Property or the validity or enforceability of any lien, security interest, and/or assignment granted and/or created by the Deeds of Trust or the Original Security Documents against the Mortgaged Property.

5. Further Assurances. The Assignor does hereby agree to provide and execute all further instruments, certificates and documents that may be necessary to fully accomplish and effect the purposes of this Assignment.

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EXECUTED on the date first above written, but effective for all purposes as of the date set forth in paragraph 3 hereof.

ATTEST: FIRST REPUBLIC BANK DALLAS, N.A., successor by merger to InterFirst Bank Dallas, N.A.

(Seal) MARK W. WECE

By: Diane M. Kiecka  
Title: Vice President

ATTEST: TEXAS COMMERCE BANK NATIONAL ASSOCIATION

(Seal) Richard S. Walker

By: Richard S. Walker  
Richard S. Walker,  
Vice President

ATTEST: THE FEDERAL DEPOSIT INSURANCE CORPORATION, in its corporate capacity as liquidator of The First National Bank of Midland

(No Seal Required) James B. Alexander

By: James B. Alexander  
James B. Alexander, Department Head, Energy/Agriculture

SOUTHMARK CORPORATION, the Assignee named in the foregoing Assignment of Deeds of Trust for Oil and Gas Properties and Other Security Documents, does hereby accept the assignment contained therein.

EXECUTED on the 8th day of February, 1988.

ATTEST: SOUTHMARK CORPORATION

(Seal) Robert M. Galecke  
S1105-7

By: Robert M. Galecke  
Title: TREAS  
Robert M. Galecke

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THE STATE OF TEXAS )  
COUNTY OF DALLAS )

I, Catherine R. Davis the undersigned Notary Public, duly qualified, commissioned, sworn, and acting in and for the County and State of aforesaid, hereby certify that on the 10th day of February, 1988:

(ARIZONA, ARKANSAS, COLORADO, KANSAS, MICHIGAN, NEBRASKA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, TEXAS, WYOMING)

The foregoing instrument was acknowledged before me by Diane M. Kiecka, Vice President of First RepublicBank Dallas, N.A., on behalf of the association.

(IDAHO)

Before me, personally appeared Diane M. Kiecka, known or identified to me to be the Vice President of the association that executed the above instrument and acknowledged to me that such association executed the same.

(MONTANA)

Before me, a Notary Public duly commissioned, personally appeared Diane M. Kiecka, known to me to be the Vice President of the association that executed the within instrument and acknowledged to me that such association executed the same.

(NEVADA)

On this, date personally appeared before me, a notary public, Diane M. Kiecka, Vice President of First RepublicBank Dallas, N.A., a national banking association who acknowledged that he executed the above instrument.

(UTAH)

Personally appeared before me Diane M. Kiecka, who, being by me duly sworn, did say that he is the Vice President of First RepublicBank Dallas, N.A., a national banking association, that said instrument was signed in behalf of said association by authority of a resolution of its Board of Directors, and said Diane M. Kiecka acknowledged to me that said association executed the same.

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IN WITNESS WHEREOF, I have hereunto set my hand and official notarial seal in the City of Dallas, County of Dallas, State of Texas on this 10th day of February, 1988.

Catherine R Davis  
(Print) Catherine R Davis  
Notary Public, Dallas County, Texas  
Commission expires 8-5-89

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THE STATE OF TEXAS )  
COUNTY OF DALLAS )

I, Catherine V Davis, the undersigned Notary Public, duly qualified, commissioned, sworn, and acting in and for the County and State of aforesaid, hereby certify that on the 10th day of February, 1988:

(ARIZONA, ARKANSAS, COLORADO, KANSAS, MICHIGAN,  
NEBRASKA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA,  
TEXAS, WYOMING)

The foregoing instrument was acknowledged before me by Richard S. Walker, Vice President of Texas Commerce Bank National Association, on behalf of the association.

(IDAHO)

Before me, personally appeared Richard S. Walker, known or identified to me to be the Vice President of the association that executed the above instrument and acknowledged to me that such association executed the same.

(MONTANA)

Before me, a Notary Public duly commissioned, personally appeared Richard S. Walker, known to me to be the Vice President of the association that executed the within instrument and acknowledged to me that such association executed the same.

(NEVADA)

On this date personally appeared before me, a notary public, Richard S. Walker, Vice President of Texas Commerce Bank National Association, a national banking association, who acknowledged that he executed the above instrument.

(UTAH)

Personally appeared before me Richard S. Walker, who, being by me duly sworn, did say that he is the Vice President of Texas Commerce Bank National Association, a national banking association, that said instrument was signed in behalf of said association by authority of a resolution of its Board of Directors, and said Richard S. Walker acknowledged to me that said association executed the same.

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IN WITNESS WHEREOF, I have hereunto set my hand and official notarial seal in the City of Dallas, County of Dallas, State of Texas on this 17th day of February, 1988.

Catherine A. Davis  
(Print) Catherine A. Davis  
Notary Public, Dallas County, Texas  
Commission expires 2-5-89

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THE STATE OF TEXAS )  
 )  
COUNTY OF DALLAS )

I, Catherine P. Davis, the undersigned Notary Public, duly qualified, commissioned, sworn, and acting in and for the County and State of aforesaid, hereby certify that on the 14th day of February, 1988:

(ARIZONA, ARKANSAS, COLORADO, KANSAS, MICHIGAN,  
NEBRASKA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA,  
TEXAS, WYOMING)

The foregoing instrument was acknowledged before me by Jack B. Alexander Department Head Energy/Agriculture of The Federal Deposit Insurance Corporation, on behalf of the corporation.

(IDAHO)

Before me, personally appeared Jack B. Alexander, known or identified to me to be the Department Head Energy/Agriculture of the corporation that executed the above instrument and acknowledged to me that such corporation executed the same.

(MONTANA)

Before me, a Notary Public duly commissioned, personally appeared Jack B. Alexander, known to me to be the Department Head Energy/Agriculture of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

(NEVADA)

On this date personally appeared before me, a notary public, Jack B. Alexander, Department Head Energy/Agriculture of The Federal Deposit Insurance Corporation, incorporated under the laws of the United States of America, who acknowledged that he executed the above instrument.

(UTAH)

Personally appeared before me Jack B. Alexander, who, being by me duly sworn, did say that he is the Department Head Energy/Agriculture of The Federal Deposit Insurance Corporation, incorporated under the laws of the United States of America, that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said Jack B. Alexander acknowledged to me that said corporation executed the same.



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IN WITNESS WHEREOF, I have hereunto set my hand and official notarial seal in the City of Dallas, County of Dallas, State of Texas on this 10th day of February, 1988.

Caroline K. Davis  
(Print) Caroline K. Davis  
Notary Public, Dallas County, Texas  
Commission expires 6-5-89

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THE STATE OF TEXAS )  
 )  
COUNTY OF DALLAS )

I, MARY LAMELLE DOOLITTLE the undersigned Notary Public, duly qualified, commissioned, sworn, and acting in and for the County and State of aforesaid, hereby certify that on the 10 day of February, 1988:

(ARIZONA, ARKANSAS, COLORADO, KANSAS, MICHIGAN, NEBRASKA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, TEXAS, WYOMING)

The foregoing instrument was acknowledged before me by Robert M. Galecke, ~~Assistant Vice President-Treasurer~~ of Southmark Corporation, on behalf of the corporation.

(IDAHO)

Before me, personally appeared Robert M. Galecke, known or identified to me to be the ~~Assistant Vice President-Treasurer~~ of the corporation that executed the above instrument and acknowledged to me that such corporation executed the same.

(MONTANA)

Before me, a Notary Public duly commissioned, personally appeared Robert M. Galecke, known to me to be the ~~Assistant Vice President-Treasurer~~ of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

(NEVADA)

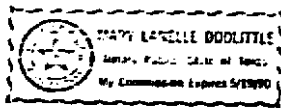
On this date personally appeared before me, a notary public, Robert M. Galecke, ~~Assistant Vice President-Treasurer~~ of Southmark Corporation, incorporated in the State of Georgia, who acknowledged that he executed the above instrument.

(UTAH)

Personally appeared before me Robert M. Galecke, who, being by me duly sworn, did say that he is the ~~Assistant Vice President-Treasurer~~ of Southmark Corporation, incorporated in the State of Georgia, that said instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said Robert M. Galecke acknowledged to me that said corporation executed the same.

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IN WITNESS WHEREOF, I have hereunto set my hand and official notarial seal in the City of Dallas, County of Dallas, State of Texas on this 7 day of February, 1988.



Mary Lavette Doolittle  
(Print)  
Notary Public, Dallas County, Texas  
Commission expires \_\_\_\_\_

51805-1

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Filed for Record on the 9 day of March A.D. 1988, at 10:00 clock A.M.  
Duly Recorded this the 9 day of March A.D. 1988, at 4:23 clock P.M.

INSTRUMENT NO. 4284

ROSENELLE CHERRY, COUNTY CLERK  
LINCOLN COUNTY, TEXAS  
By Rosenelle Cherry Deputy

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THE STATE OF TEXAS )  
 COUNTY OF MIDLAND )  
 I, ROSEHELLE CHERRY County Clerk in and for Midland County,  
 Texas do hereby certify that the above and foregoing is a full, true and correct copy as  
 the same appears of record in this office in Midland County, Texas. Deed Records  
 Vol 959 Page 300 9 DAY OF March 19 88  
 GIVEN UNDER MY HAND AND SEAL THIS THE  
 ROSEHELLE CHERRY, COUNTY CLERK  
 MIDLAND COUNTY, TEXAS  
*Sue Stewart*  
 Sue Stewart Deputy

COPY

FILED AND RECORDED AT REQUEST OF  
 Lynch, Chappell, Allday & Alsop  
 March 15, 1988  
 AT 55 MIDDLETOWN EAST 2 O'CLOCK  
 P. M. 79 OF OFFICIAL  
 FRANK C. HULSE  
 COUNTY RECORDER  
 By *Mara Cordia* Deputy