

GULFMARK ENERGY, INC.

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that , for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable acknowledged, **Gulfmark Energy, Inc.**, a Texas corporation, whose address is P.O. Box 844, Houston, TX 77001, hereinafter called "Seller", has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell and convey unto **David Howell**, whose address is 1535 West Loop South, Suite 200, Houston, Texas 77027, "Buyer", all of Seller's rights, title and interest in the following pipeline system (the "Facilities"):

One approximately 10 mile 4-inch pipeline trunk system extending from an 8-inch Tepco pipeline to South Boling Station, one approximately 39 mile 8-inch pipeline trunk system extending from South Boling to Danbury Stations, one New Anchor Station, one lateral pipeline extending from South Boling-Danbury trunk system to New Anchor Station, one approximately 2.5 mile pipeline gathering system extending from South Boling Station, one approximately 6.5 mile pipeline gathering system extending from the Magnet Station, together with all attached valves and fittings, all the above being located within Wharton and/or Brazoria Counties, as depicted in Exhibit "A", attached hereto and made a part, except as to exclusions in this paragraph. The Magnet pipeline gathering system ends at the flange that is connected to the flange of a 4-inch valve at the Magnet Station; said valve, station pipe, meters, tanks, valves, buildings, materials and equipment at Magnet Station are excluded from these facilities. One approximately 1.5 mile 4-inch pipeline trunk system extending from Magnet Station to the above referenced Tepco pipeline is excluded from these facilities.

BUYER REPRESENTS AND WARRANTS THAT BUYER IS KNOWLEDGEABLE AND EXPERIENCED IN THE EVALUTAION, ACQUISITION, AND OPERATION OF SIMILAR FACILITIES, AND THAT BUYER HAS EVALUATED THE MERITS AND RISKS OF PURCHASING THE FACILITIES AND HAS FORMED AN OPINION BASED SOLEY UPON BUYER'S KNOWLEDGE AND EXPERIENCE AND NOT UPON ANY REPRESENTATIONS OR WARRANTIES BY SELLER WITH RESPECT TO THE FACLITITES OR AS TO THE ACCURACY FO COMPLETENESS OF ANY DATA, INFORMATION, OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED TO BUYER IN CONNECTION WITH THE FACILITIES, AND ANY RELIANCE ON OR USE OF THE SAME HAS BEEN AND WILL BE AT BUYER'S SOLE RISK.

THE FACILITIES CONVEYED BY THIS BILL OF SALE ARE CONVEYED TO BUYER ON AN AS-IS AND WITH ALL FAULTS BASIS. SELLER MAKES NO REPRESENTATIONS OR EXPRESS OR IMPLIED

WARRANTIES WITH RESPECT TO THE FACILITIES AND HEREBY DISCLAIMS ANY IMPLIED WARRANTY AS TO THE FACILITIES CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY DATA, INFORMATION, OR MATERIALS HERETOFORE OR HEREAFTER FURNISHED BUYER IN CONNECTION WITH OR AS PART OF THE FACILITIES AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK.

Buyer shall defend, indemnify and hold harmless Seller, its affiliates and their directors, officers, employees, contractors and agents from and against all claims, demands, causes of action, lawsuits, strict liability claims, loss, liability, costs of compliance with laws, orders or regulations, fines, judgments, penalties and expenses (including, but not limited to, reasonable attorneys' fees) arising out of or relating to personal injury, death or property damage that occurs after closing and is related to the construction, ownership, operation, use, maintenance and removal of the assets after closing or for any breach of contract assigned to Seller by Buyer whether the breach occurs before or after or for any breach of contract by Buyer for any contract assigned to Buyer by Seller where such breach occurs after closing and is related to the construction, ownership, operation, use, maintenance and removal of the assets after closing.

Seller shall defend, indemnify and hold harmless Buyer, its affiliates and their directors, officers employees, contractors and agents from and against all claims, demands, causes of action, lawsuits, strict liability claims, loss, liability, costs of compliance with laws, orders or regulations, fines, judgments, penalties and expenses (including, but not limited to, reasonable attorneys' fees) arising out of or relating to personal injury, death or property damage that occurs before closing or for any breach of contract by Seller for any contract assigned to Buyer by Seller whether the breach occurs before or after closing or for any breach of contract by Seller for any contract assigned to Seller by Buyer where such breach occurs after closing.

Buyer shall defend, indemnify and hold harmless Seller, its affiliates and their directors, officers, employees, contractors and agents from and against all claims, demands, causes of action, lawsuits, strict liability claims, loss, liability for environmental remediation or cleanup costs, costs of compliance with laws, orders or regulations, fines, judgments, penalties and expenses (including, but not limited to, reasonable experts' and attorneys' fees) caused by Buyer's construction, operation, use, maintenance, repair and removal of the assets and arising out of relating to environmental contamination occurring solely and exclusively after the date of closing or any violation by Buyer of any environmental laws after the date of closing.

Seller shall defend, indemnify and hold harmless Buyer, its affiliates and their directors, officers, employees, contractors and agents from and against all claims, demands, causes of action, lawsuits, strict liability claims, loss, liability for environmental remediation or cleanup costs, costs of compliance with laws, orders or

regulations (as presently existing and as they exist in the future), fines, judgments, penalties and expenses (including, but not limited to, reasonable experts' and attorneys' fees) arising out of or relating to environmental contamination occurring solely and exclusively before the date of closing or any violation by Seller of any environmental laws after the date of closing. Notwithstanding the foregoing, Seller's indemnity hereunder shall in no event include any indemnity for any environmental contamination occurring solely and exclusively after the closing date. As used herein, "environmental Containments" or "Environmental Contamination" means "Hazardous Substances", "Pollutants or Contaminants" as those terms are defined or used in Section 101 of the Comprehensive Environmental Response Compensation and Liability Act of 1980 and shall also include Petroleum, Crude Oil, any fraction thereof, and Natural Gas, Liquid Natural Gas, or Synthetic Gas of pipeline quality.

Any third party claim for indemnity hereunder shall be made by written notice from the party seeking indemnification for the third party claim (the "Indemnifying Party") together with a written description of any third-party claim against the Indemnified Party, stating the nature and basis of the such claim and, if ascertainable, the amount thereof. The Indemnifying Party shall have a period of sixty (60) days after receipt of such notice within which to respond thereto or, in the case of a third-party claim which requires a shorter time for response, then within such shorter period such specified by the Indemnified Party in such notice (the "Notice Period"). If the Indemnifying Party denies liability or fails to respond to the notice within the Notice Period, the Indemnified party may defend or compromise the claim as it deems appropriate without prejudice to any of the Indemnified Party's rights hereunder, with no further obligation to inform the Indemnifying Party of the status of the claim and no right of the Indemnifying Party to approve or disapprove any actions taken in connection therewith by the Indemnified Party. If the Indemnifying Party accepts liability, it shall so notify the Indemnified Party within the notice period and elect either (A) to undertake the defense or compromise of such third-party claim with counsel selected by the Indemnifying Party and reasonably approved by the Indemnified Party or (B) to instruct the Indemnified Party to defend or compromise such claim. If the Indemnifying Party undertakes the defense or compromise of such third-party claim, the Indemnified Party shall be entitled at its own expense, to participate in such defense. No compromise or settlement of any third -party claim by the Indemnified Party shall be made without reasonable notice to the Indemnified Party and, unless such compromise or settlement includes a general release of the Indemnifying Party in respect of the matter with no admission of liability on the part of the Indemnified Party and No constraints on the future conduct of its business, without the prior written approval of the Indemnified Party.

Neither party shall be liable to the other under any circumstances for consequential, exemplary, punitive, or indirect damage of any kind or nature, under any theory of tort, contract, or equity, and each party expressly releases the other therefrom.

Buyer and Seller recognize the importance of mitigating potential adverse environmental conditions in a timely and prudent manner. As soon as possible, but in no

event later than thirty (30) days after discovery, Buyer shall advise Seller in writing of any suspected historical environmental contamination discovered after the closing date for which Buyer reasonably believes Seller may have responsibility.

Upon written notice of the existence of any suspected historical environmental contamination given by Buyer to Seller, Seller shall either (A) deny responsibility for the suspected environmental contamination or (B) cure or remedy any such historical environmental contamination. Seller agrees that it will furnish Buyer written notice of its intent to either deny or remedy the suspected environmental contamination. If Seller agrees to remedy the matter, then it shall thereafter exercise all reasonable efforts and diligence to complete any environmental cleanup and remediation.

Buyer agrees to remove all evidence such as printed names, markings, insignia or other signs identifying the Facilities as the property of Seller or indicating that the Facilities were ever owned and/or operated by Seller. Buyer shall remove all signs or markings located at or on the facilities within (30) DAYS AFTER THE DATE HEROF.

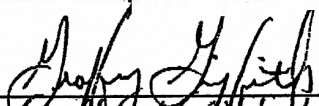
Seller does hereby covenant with Buyer that Seller is the lawful owner of said interest conveyed herein; that the interest covered herein is free and clear of all liens and encumbrances and that Seller has good right and authority to sell and deliver said interest.

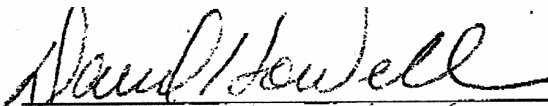
This Bill of Sale shall bind and inure to the benefit of Seller and Buyer and their respective successors and assigns.

This Bill of Sale shall be effective as of 12:01 a.m. Houston time, this 24th day of November, 2004, regardless of the date of execution.

EXECUTED IN DUPLICATE ORIGINALS on the dates set forth below.

Gulfmark Energy, Inc.

By 
Name: Jeffrey Lyfitch
Title: President
Date: 11-24-04
SELLER

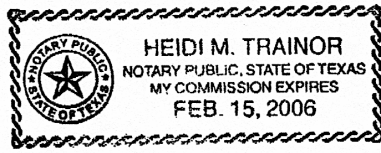

David Howell
Date: 11/24/04
BUYER

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledge before me on November 24th, 2004, by Geoffrey Griffith, as President of GulfMark Energy, Inc., a Texas corporation, on behalf of said Corporation

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of November, 2004.



Heidi M. Trainor

Notary Public, State of Texas

STATE OF TEXAS §

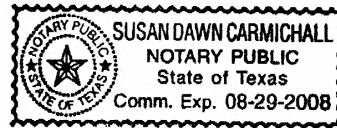
COUNTY OF HARRIS §

This instrument was acknowledge before me on November 24th, 2004, by David Howell.

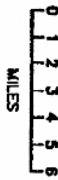
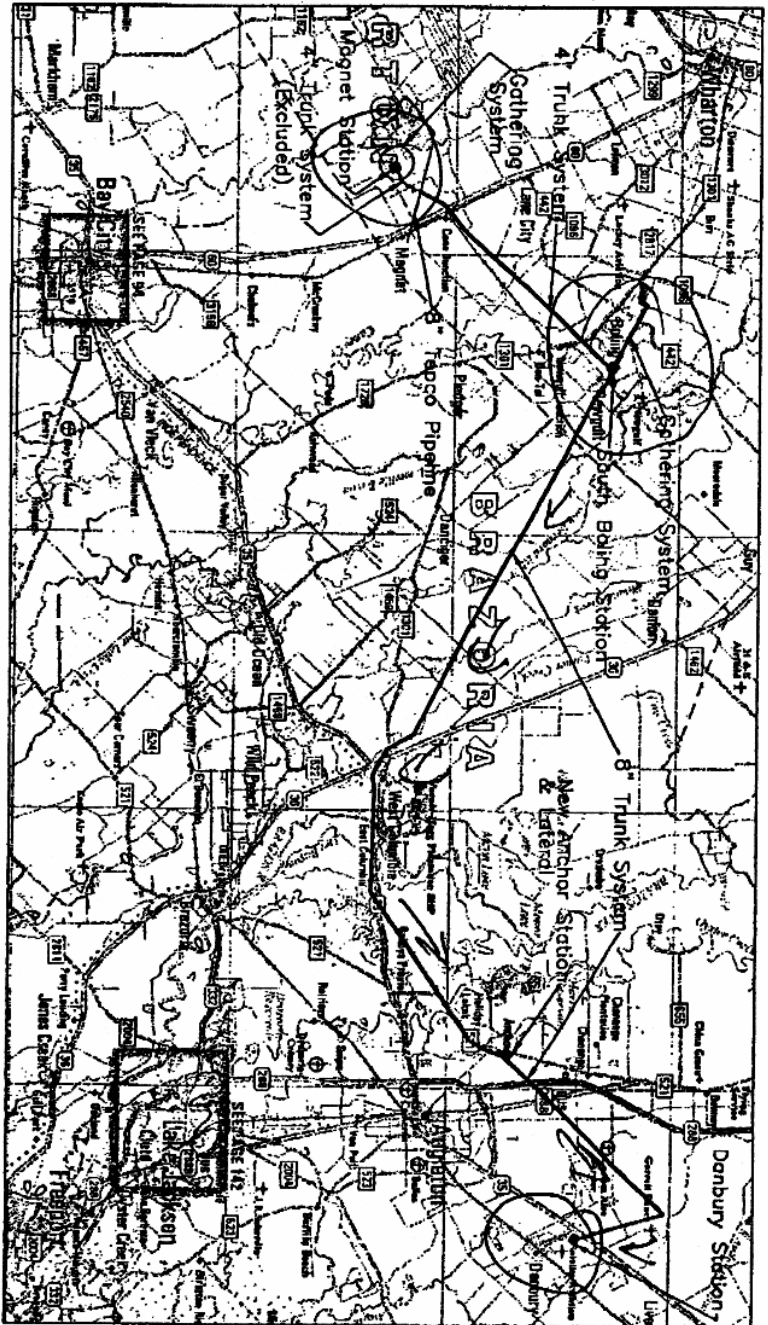
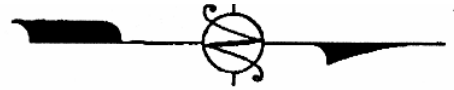
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of November, 2004.

Susan Dawn Carmichall

Notary Public, State of Texas



COUNTY CLERK'S MEMO
 Portions of this document
 were not legible or reproducible
 for recording



DESCRIPTION OF FACILITIES

One approximately 10 mile 4-inch pipeline trunk system extending from an 8-inch Tepeco pipeline to South Boling Station, one approximately 39 mile 8-inch pipeline trunk system extending from South Boling Station to Danbury Station, one New Anchor Station, one lateral pipeline extending from South Boling-Danbury trunk system to New Anchor Station, one approximately 2.5 mile pipeline gathering system extending from South Boling Station, one approximately 6.5 mile pipeline gathering system extending from the Magnet Station, together with all attached valves and fittings, all the above being located within Whorton and/or Brozoria Counties. The Magnet pipeline gathering system ends at the flange that is connected to the flange of a 4-inch valve at the Magnet Station; said valve, station pipe, meters, tanks, valves, buildings, materials and equipment at Magnet Station are excluded from these facilities. One approximately 1.5 mile 4-inch pipeline trunk system extending from Magnet Station to the above referenced Tepeco pipeline is excluded from these facilities.