

# V-F Petroleum Inc.

suite 580      one marienfeld place      midland, texas 79701      915 683-3344

November 13, 1985

HNG Oil Company  
P. O. Box 2267  
Midland, Texas 79701

Attention: Bill Lewis

InterNorth, Inc.  
One Petroleum Center  
Bldg. 6, Suite 201  
3300 North "A" Street  
Midland, Texas 79705

Attention: Glenda Howard

Farmout Letter Agreement  
SE/4 NW/4 Sec. 4-22S-35E  
Lea County, New Mexico  
SC #1-82

Gentlemen:

We hereby request your consent to a partial assignment of captioned Farmout Letter Agreement dated January 16, 1985 and amended by letter dated April 3, 1985 to Joe D. Peterson, an individual residing in Hobbs, New Mexico, insofar as it relates to the SE/4 NW/4 of Section 4. V-F retains all rights excepting this 40-acre tract.

Mr. Peterson will be the operator for a test well (San Simon Well #2) to be drilled on the SE/4 NW/4 of Section 4. Peterson will contract with Tempo Energy Inc. for permitting and other administrative purposes.

Please evidence your consent to the partial assignment of said Farmout Letter Agreement, insofar as it relates to the SE/4 NW/4 of Section 4, in the manner indicated below, returning one executed copy to this office. If you have any questions, please contact me immediately.

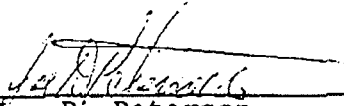
Very truly yours,



Oil Conservation Commission  
Case No. 13711  
March 16, 2007  
OCD EXHIBIT 12

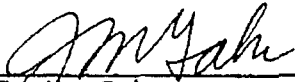
HNG & InterNorth  
November 13, 1985  
Page 2

AGREED and ACCEPTED this  
13<sup>th</sup> day of November, 1985

  
\_\_\_\_\_  
Joe D. Peterson

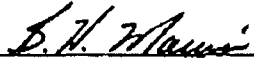

AGREED and ACCEPTED this  
13<sup>th</sup> day of November, 1985

V-F Petroleum Inc.

By:   
\_\_\_\_\_  
J. M. Gahr  
Executive Vice President

AGREED and ACCEPTED this  
13<sup>th</sup> day of November, 1985

InterNorth, Inc.

By:   
\_\_\_\_\_  
B. H. Morrison, Vice President  
and General Manager 

AGREED and ACCEPTED this  
13<sup>th</sup> day of November, 1985

HNG Oil Company

By:   
\_\_\_\_\_  
W. R. LEWIS  
DISTRICT LAND MANAGER