

ASSIGNMENT OF OIL AND GAS LEASES

STATE OF NEW MEXICO §  
§ KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF LEA §

THAT, DALE DOUGLAS and wife RENEE R. DOUGLAS, whose mailing address is PO Box 10187, Midland, Texas, 79702 (hereinafter referred to as "ASSIGNOR"), for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has transferred and assigned and by these presents does hereby grant, transfer, assign and convey unto DAVID H. ARRINGTON OIL & GAS, INC., whose mailing address is PO Box 2071, Midland, Texas 79702, its successors and assigns (hereinafter collectively referred to as "ASSIGNEE" whether one or more), without warranty either express or implied, all of ASSIGNOR'S right, title, and interest in and to Oil, Gas and Mineral Leases acquired by ASSIGNOR by virtue of that certain term assignment dated March 1, 2001 from Hunt Oil Company to Dale Douglas (hereinafter referred to as "Subject Leases" whether one or more) covering the lands described thereon (hereinafter referred to as "Subject Lands"), all of which is set forth on Exhibit "A" attached hereto and made a part hereof for all purposes.

TO HAVE AND TO HOLD the same unto the ASSIGNEE, its heirs, administrators, executors, devisees, trustees, successors, and assigns, according to the terms, covenants, and conditions of the Subject Leases, the ASSIGNEE to perform all such terms, covenants, and conditions thereof as to the Subject Lands, as well as all of the terms, covenants, and conditions hereof.

IN WITNESS WHEREOF, this instrument is executed as of the date set forth in the acknowledgment below, but EFFECTIVE for all purposes as of March 1, 2002.

ASSIGNOR:

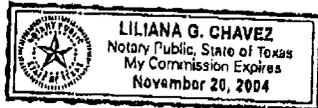
*[Signature]*  
Dale Douglas  
*[Signature]*  
Renee R. Douglas

ACKNOWLEDGMENTS

STATE OF TEXAS  
COUNTY OF MIDLAND

This instrument was acknowledged before me this 4th day of October, 2002, by Dale Douglas and wife Renee R. Douglas.

*[Signature]*  
Notary Public in and for the State of Texas  
My Commission Expires 11/20/04



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico  
Case No. 12956 Exhibit No. 89  
Submitted by: Great Western Drilling Company  
Hearing Date: November 14, 2002

*[Handwritten]* Building 29-2-1

EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil and Gas Leases from Dale Douglas et ux to David H. Arrington Oil & Gas, Inc.

Oil and Gas Lease:

Grantor: United States of America  
Grantee: A. D. Weatherly  
Date: February 1, 1973  
Lands: INSOFAR and ONLY INSOFAR as it pertains to the following lands limited in depth from the surface to the base of the Morrow formation:  
T15S, R34E, Section 33: NW/4, Section 34: S/2NE/4, N/2SE/4  
T16S, R34E, Section 1: Lots 1,2,7,8,9,10,15,16 (328.34 acres)  
Lea County, New Mexico  
Serial No.: NMNM-17444

The above oil and gas lease is made subject to the terms and conditions of that certain Term Assignment described immediately below:

Grantor: Hunt Oil Company  
Grantee: Dale Douglas  
Date: March 1, 2001  
Lands: INSOFAR and ONLY INSOFAR as it pertains to the following lands limited in depth from the surface to the base of the Morrow formation:  
T15S, R34E, Section 33: NW/4, Section 34: S/2NE/4, N/2SE/4  
T16S, R34E, Section 1: Lots 1,2,7,8,9,10,15,16 (328.34 acres)  
Lea County, New Mexico  
Recording: Volume 1111, Page 198 of the Official Public Record of Lea County, New Mexico

End of Exhibit

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

29838

NOV 13 2002 P  
at 3:44 o'clock \_\_\_\_\_ M  
and recorded in Book \_\_\_\_\_  
Page \_\_\_\_\_  
Melinda Hughes, Lea County Clerk  
By \_\_\_\_\_ Deputy

