

STATE OF NEW MEXICO

COUNTY OF LEA

KNOW ALL MEN BY THESE PRESENTS:

That MAGNOLIA PETROLEUM COMPANY, a corporation, incorporated under the laws of the State of Texas, with its principal office at Dallas, Texas, and having a permit to do business in the State of New Mexico, for and in consideration of the sum of FIVE DOLLARS (\$5.00), to it cash in hand paid by WESTERN NATURAL GAS COMPANY, the receipt of which is hereby acknowledged and for the further consideration hereinafter recited, and subject to the exceptions and reservations hereinafter stated, has GRANTED, CONVEYED and ASSIGNED and by these presents, does hereby GRANT, CONVEY and ASSIGN, unto the said WESTERN NATURAL GAS COMPANY, with an office in Houston, Texas, all of the right, title and interest of MAGNOLIA PETROLEUM COMPANY in and to the gas rights only (gas is defined as gas in its natural state as produced from the well and includes its content of gasoline and all liquefiable hydrocarbons produced at the well head by ordinary production methods but does not include "casinghead gas", which is defined as gas and its products produced with oil from an oil well and an oil stratum) in the following described leases, insofar as the same cover the land hereinafter described, down to and including the depth of 4,000 feet, to-wit:

1. (M4-95-A) Lease dated July 10, 1930, from Empire Gas & Fuel Company to Shell Petroleum Corporation, recorded in Book 18 at Page 151 of the records of Lea County, New Mexico.
2. (M4-95-B) Lease dated July 10, 1930, from Atlantic Oil Producing Company to Shell Petroleum Corporation, recorded in Book 18 at Page 152 of the records of Lea County, New Mexico.
3. (M4-95-C) Lease dated July 8, 1930, from Kirby Petroleum Company to Shell Petroleum Corporation, recorded in Book 18 at Page 153 of the records of Lea County, New Mexico.
4. (M4-95-D) Lease dated July 10, 1930, from Edison Petroleum Company to Shell Petroleum Corporation, recorded in Book 18 at Page 154 of the records of Lea County, New Mexico.
5. (M4-95-E) Lease dated July 10, 1930, from Federal Royalties Company, Inc. to Shell Petroleum Corporation, recorded in Book 18 at Page 155 of the records of Lea County, New Mexico.
6. (M4-95-F) Lease dated July 10, 1930, from Cranfill-Reynolds Company to Shell Petroleum Corporation, recorded in Book 18 at Page 156 of the records of Lea County, New Mexico.