

ASSIGNMENT OF OIL AND GAS LEASES

This Assignment of Oil and Gas Leases is by and between Siana Operating, L.L.C., a Texas limited liability company, whose mailing address is P.O. Box 10303, Midland, Texas 79702, as "Assignor," and CAZA ENERGY LLC, a New Mexico limited liability company, with a mailing address of P.O. Box 1767, Artesia, New Mexico 88211, as "Assignee."

Assignor, for valuable consideration paid to Assignor by Assignee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, convey and assign, set over and deliver unto Assignee, its heirs, successors and assigns, all of Assignors interest in the Oil and Gas Leases described in Exhibit "A," insofar and only insofar as said leases cover the lands, depths and interests specified in Exhibit "A," without any express or implied warranties of title, merchantability, or fitness for a particular purpose.

EXECUTED, this 10th day of May 2004 but made effective as of the 1st day of May 2004.

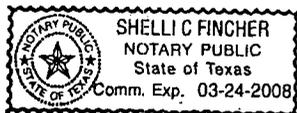
Siana Operating, L.L.C.

Tom M. Ragsdale
Tom M. Ragsdale, Manager

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 10th day of May 2004 by Tom M. Ragsdale, Manager of Siana Operating, L.L.C., a Texas limited liability company.

Shelli C. Fincher
Notary Public



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EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil and Gas Leases dated effective May 1, 2004 between Siana Operating, L.L.C., as Assignor, and CAZA ENERGY LLC, as Assignee.

Date: November 12, 1935
Lessor: State of New Mexico B-5310
Lessee: Roy G. Barton
Description: NW/4 NE/4, SAVE AND EXCEPT from the top of the Grayburg formation down to 100 feet below the top of the San Andres formation, and also SAVE AND EXCEPT rights below the base of the Abo formation; and the SW/4 NE/4 and NE/4 SW/4 from the surface to the base of the San Andres formation.

Date: June 11, 1945
Lessor: State of New Mexico E-398
Lessee: Barney Cockburn
Description: SE/4 NW/4 from the surface to the base of the Abo formation.

All in Section 32, T17S, R33E, Lea County, New Mexico

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

MAY 17 2004
at 9:18 AM
and recorded in book 1304
Page 500
Melinda Hughes, Lea County Clerk
By [Signature] Deputy

56307

