

ASSIGNMENT OF OIL AND GAS LEASES

This Assignment of Oil and Gas Leases is by and between CAZA ENERGY LLC, a New Mexico limited liability company, with a mailing address of P.O. Box 1767, Artesia, New Mexico 88211 ("Assignor"), and the parties hereinafter set out (collectively referred to 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 the following described Assignees, their heirs, successors and assigns:

Robert C. Chase 5%
2306 Sierra Vista
Artesia, NM 88210

Richard L. Chase 5%
P.O. Box 359
Artesia, NM 88211

Gerene Dianne Chase Crouch, as her 5%
sole and separate property
P.O. Box 693
Artesia, NM 88211

Tom M. Ragsdale 6.25%
P.O. Box 10303
Midland, TX 79702

of Assignor's 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 13th day of May 2004, but effective as of May 1, 2004.

CAZA ENERGY LLC

Ronald W. Lanning, Attorney in Fact

STATE OF NEW MEXICO §
COUNTY OF EDDY §

The foregoing instrument was acknowledged before me this 13th day of May 2004, by Ronald W. Lanning, Attorney in Fact for CAZA ENERGY LLC, a New Mexico limited liability company.



OFFICIAL SEAL
STACI D. SANDERS
NOTARY PUBLIC - STATE OF NEW MEXICO
My commission expires: 2-15-05

Staci D Sanders
Notary Public

EXHIBIT "A"

Attached to and made a part of that certain Assignment of Oil and Gas Leases effective May 1, 2004, between CAZA ENERGY LLC, and Robert C. Chase, et al.

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 9:28 AM
and recorded in book 1304
Page 568
Melinda Hughes, Lea County Clerk
By R.P. Deputy



56311