

Oil Conservation Commission
Case No. 13711
March 16, 2007
OCD EXHIBIT 4

NEW MEXICO STATE LAND OFFICE
ASSIGNMENT OF OIL AND GAS LEASE

From lease number
<u>LG-4234-0</u>
To lease number
<u>LG-4234-1</u>

CC 101

KNOW ALL MEN BY THESE PRESENTS:

That HNG Oil Company, a Delaware corporation,
(wife, if any or state of incorporation)

hereinafter called "Assignor" (whether one or more), for and in consideration of Ten or more Dollars,
paid by HNG Oil Company and Northern Natural Gas Company

whose Post Office address is P. O. Box 2267, Midland, Texas 79702

hereinafter called "Assignee" (whether one or more), does hereby sell, assign and convey to the
Assignee the entire interest and title in and to that certain Oil and Gas Lease No. LG-4234
made by the State of New Mexico to HNG Oil Company
under date of June 1, 1977, only insofar as said lease covers the following land, in
Lea County, New Mexico, to wit:

T-22-S, R-35-E, N.M.P.M.

C.S.

Sec. 4: Lots 1, 2, 3, 4, S/2 N/2 and S/2, containing 647.40 acres,

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STATE LAND OFFICE
SANTA FE, N.M.

together with the rights incident thereto, and the personal property thereon, if any, appurtenant
thereto, or used or obtained in connection therewith.

Assignee assumes and agrees to perform all obligations to the State of New Mexico insofar as
said described land is affected, and to pay such rentals and royalties, and to do such other acts
as are by said lease required as to said land, to the same extent and in the same manner as if the
provisions of said lease were fully set out herein. It is agreed that Assignee shall succeed to
all the rights, benefits and privileges granted the Lessee by the terms of said lease, as to said
land.

With warranty covenants as to the leasehold estate herein assigned, except as to any valid
overriding royalty, production payment, operating agreement or sub-lease, if any, now of legal
record, and Assignor covenants that said leasehold estate so assigned is valid and subsisting and
that all rentals and royalties due thereunder have been paid.

EXECUTED this 1st day of September, 1977.

ATTEST:

Larry Hudson
Assistant Secretary

HNG OIL COMPANY

By: Stewart Martin
Vice President

(PERSONAL ACKNOWLEDGMENT)

STATE OF _____
COUNTY OF _____ } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by

My commission expires: _____ Notary Public

(ACKNOWLEDGMENT BY CORPORATION)

STATE OF TEXAS
COUNTY OF MIDLAND } ss.

The foregoing instrument was acknowledged before me this 1st day of September, 1977, by

J. Stewart Martin, Vice President of HNG Oil Company
(Name) (Title) (Corporation)
a Delaware corporation, on behalf of said corporation.

My commission expires: 6/1/79 Judy Walters Notary Public

J.S.
10-24-77

11/11/77

(ACKNOWLEDGMENT BY ATTORNEY-IN-FACT)

STATE OF..... }
COUNTY OF..... } ss.

The foregoing instrument was acknowledged before me this..... day of....., 19....., by
..... as attorney-in-fact in behalf of

My commission expires:..... Notary Public

APPROVAL OF THE COMMISSIONER



Office of Commissioner of Public Lands
Santa Fe, New Mexico

I hereby certify that the within Assignment was filed in my office on SEP 6 1977
approved by me and to be effective as to the State of New Mexico on SEP 15 1977.

Phil R. Sauer
Commissioner of Public Lands

INSTRUCTIONS AND INFORMATION

1. An annual rental, at the rate of 25¢ per acre shall become due and payable to the lessor by the lessee, or by any transferee or assignee of the same, or any part hereof, where such transferee or assignee has been recognized, and such transfer or assignment approved by the lessor, upon each acre of land above described and then claimed by such lessee, transferee or assignee, and the same shall be due and payable in advance to the Lessor on the successive anniversary dates of the lease, (not the date this assignment was executed) but the annual rental on any assignment shall in no event be less than Six Dollars (\$6.00).
2. The lease is for a primary term of Five Years from the date of the lease, and as long thereafter as oil and gas in paying quantities, or either of them is produced from said land by the lessee, subject to all of the terms and conditions set forth in the lease.
If the lessee shall have failed to make discovery of oil and/or gas in paying quantities during the primary term of the lease, the lessee may continue the lease in full force and effect for an additional term of five years and as long thereafter as oil and gas in paying quantities, or either of them is produced from the leased premises, by paying each year in advance, as herein provided, double the rental provided herein for the primary term, or the highest rental prevailing at the commencement of the secondary term in any rental district, or districts in which the lands or any part thereof, may be situated, if it be greater than double the rental provided for the primary term. But the annual rental on any assignment shall in no event be less than Twelve Dollars (\$12.00) during the secondary term.
3. All Assignments must be filed in triplicate in the State Land Office within 100 days from date of signing and accompanied by Cashier's Check, Bank Draft, P.O. or Express Money Order.
4. Effective September 1, 1957, recording fee for each assignment is \$10.00 (if filed over 100 days from date of signing, additional fee of \$25.00 is charged).
5. When assignments are accompanied by personal check, the Commissioner of Public Lands reserves the right to withhold approval of assignment until checks are paid.
6. Assignments will not be approved when assigned to more than two persons, or for less than a regular subdivision or for undivided interests. By a regular subdivision is meant forty acres or a tract described by Lot number which may be more or less than 40 acres.
7. Assignments must show complete post office address of assignee.
8. Assignments must be executed before an officer authorized to take acknowledgments of deeds. Corporations must use corporate form of acknowledgment.
9. Assignments must show whether assignors are married or single; if married, both husband and wife must sign the assignment, and certificate of acknowledgment must show marital status of assignors.
10. All official business, letters and communications must be addressed to and sent direct to the Commissioner of Public Lands.
11. Make all payments for annual rental and recording and approval fees to

COMMISSIONER OF PUBLIC LANDS
Santa Fe, New Mexico 87501