

ASSIGNMENT OF OIL AND GAS LEASES

PRIVATELY OWNED LANDS

Virginia A. Hill
Mellie J. Jacobs

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned DELHI OIL CORPORATION, a Delaware corporation, whose address is 1314 Wood Street, Dallas, Texas (hereinafter called "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the full receipt and sufficiency of which is hereby acknowledged, does hereby sell, assign, transfer, set over and convey unto EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Bassett Tower, El Paso, Texas (hereinafter called "Assignee"), its successors and assigns, all right, title and interest of Assignor in and to those certain oil and gas mining leases described in Exhibit "A" attached hereto and made a part hereof for all purposes;

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns forever, subject, however, to the following:

1. In said leases, assignments thereof and other instruments and documents pertaining thereto there are excepted and reserved to or assigned for the benefit of the various lessors, assignors and others certain royalties, overriding royalties and other rights and interests in, to and connected with oil, gas and other minerals produced from and under said leases, reference being here made to said leases, assignments, instruments and documents for a more particular description of the terms thereof. This Assignment is made expressly subject to all such royalties, overriding royalties and other rights and interests so excepted, reserved or assigned, as set forth in Exhibit "A".

2. Assignor hereby excepts, reserves and retains unto itself, its successors and assigns the following:

A. An overriding royalty on Assignor's interest in all gas produced and saved from the said leases and the lands included in same as follows:

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 4

CASE NO. 7883, 7884, 7885

Submitted by Applicant

Hearing Date 5/25/83

(1) 5½¢ per mcf (1,000 cubic feet) on all such gas produced and saved during the first 3-1/3 years after the date hereof.

(2) 6½¢ per mcf on all such gas produced and saved during the next 3-1/3 years thereafter.

(3) 7½¢ per mcf on all such gas produced and saved during the next 3-1/3 years thereafter.

(4) Not less than 8¢ per mcf on all such gas produced and saved during the next one year thereafter.

(5) Not less than 9¢ per mcf on all such gas produced and saved during the next one year thereafter.

(6) Not less than 10¢ per mcf on all such gas produced and saved thereafter.

B. The volumes of gas, upon which the overriding royalties described above shall be paid, shall be computed upon a pressure base of 15.025 pounds per square inch absolute and at a temperature base of 60 degrees Fahrenheit, and shall be otherwise computed in accordance with the specifications prescribed in Gas Measurement Committee Report No. 2, dated May 6, 1935, of the Natural Gas Department of the American Gas Association, including the appendix thereto and subsequent amendments and appendices from time to time made. Proper corrections shall be made for deviation from Boyle's Law, the specific gravity and the flowing temperatures of the gas produced hereunder. Proper deduction shall be made from such volumes for gas used in development and operation of the said lands and for loss due to shrinkage by reason of extraction of hydrocarbons from such gas.

C. The overriding royalties specified in (4), (5) and (6) of A above shall in no event be less than the respective amounts stated therein but shall be arrived at as follows: approximately ninety (90) days prior to the end of the first ten (10) years following the date hereof the parties shall attempt to agree upon the amounts of such overriding royalties

for the next five-year period. If the parties agree upon such overriding royalties, then such amounts shall be the overriding royalties to be received by Assignor hereunder for such period. If the parties cannot agree upon such amounts, then such amounts shall be determined by a board of arbitrators to be appointed as provided in the agreement between the parties dated January 18, 1952, hereinafter mentioned. The board of arbitrators, in determining the amounts of such overriding royalties, shall base their decision on the then value of such gas at the well head, considering only quality and pressure of gas, aggregate quantity of delivery and the then current field prices (of then newly negotiated contracts) of gas in other fields connected to or in the area of any of Assignee's pipe lines or gathering systems or of any pipe line system to which any of Assignee's pipe lines or gathering systems are then connected and such other directly related pertinent factors which said board shall deem proper to consider in order to fairly determine the amounts of such overriding royalties. The overriding royalties reserved by Assignor in A above shall be determined for each five-year period after the fifteenth year following the date hereof in like manner to that provided above for the five-year period next following the tenth year after the date hereof, but in no event shall the amount of such overriding royalties be less than 10¢ per mcf.

D. An overriding royalty in the amount of thirty-three and one-third per cent ($33\frac{1}{3}\%$) of Assignor's interest in all liquid hydrocarbons which may be recovered or extracted from gas produced from the said lands and leases. At Assignor's option, Assignee shall deliver to Assignor the fair market value thereof in cash. At all times prior to the completion of construction and commencement of operation by Assignee of a plant for extraction of such liquids, Assignee shall pay to Assignor in cash the estimated value of thirty-three and one-third per cent ($33\frac{1}{3}\%$) of all liquids produced with or contained in gas

Assignor in and to the said lands and leases and personal property purported to be assigned herein, against all persons whomsoever who may lawfully have or claim an interest therein by, through or under Assignor.

6. Assignee, by its acceptance of this Assignment, warrants and agrees that it will comply with all terms, provisions and conditions of the Agreement dated January 18, 1952, mentioned hereinabove, and, subject to the terms thereof, that it will comply with all obligations of the leases hereby assigned and that it hereby assumes and agrees to pay, as and when the same shall become due and payable, all outstanding royalty, overriding royalty, carried and other interests under the leases hereby assigned applicable to all gas and other hydrocarbons produced and saved by Assignee.

EXECUTED at Dallas, Texas, on this 1st day of March, 1952.

DELHI OIL CORPORATION

BY P. T. [Signature]
Vice President

ATTEST:

[Signature]
Secretary

El Paso Natural Gas Company, Assignee herein, hereby accepts this Assignment and agrees to be bound by the terms and provisions thereof, all as of March 1, 1952.

EL PASO NATURAL GAS COMPANY

BY [Signature]
Vice President

ATTEST:

A. C. [Signature]
Secretary

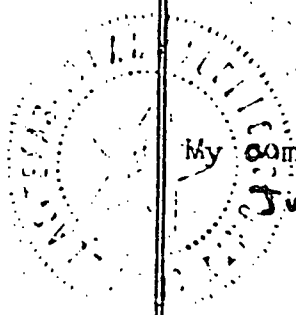
STATE OF TEXAS)
COUNTY OF DALLAS) ss.

On this 1st day of March, 1952, before me appeared P. T. BEE, to me personally known, who, being by me duly sworn, did say that he is the Vice President of DELHI OIL CORPORATION, a Delaware corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and said P. T. BEE acknowledged said instrument to be the free act and deed of said corporation.

Ellen Donthoo
Notary Public in and for
Dallas County, Texas.

My commission expires:
June 1, 1952

ELLEN DONTTHOO
Return to, El Paso Natural Gas Co
10th floor - Barnett Tower
El Paso, Texas



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EXHIBIT "A"

Attached to and made a part of the foregoing "Assignment of Oil and Gas Leases - Privately Owned Lands" from Delhi Oil Corporation to El Paso Natural Gas Company dated March 1, 1952.

The leases and other instruments hereinafter described in this exhibit, and the records thereof where described, are hereby referred to for all purposes in connection with the assignment to which this exhibit is attached.

I.

The following leases are subject to the following interests:

A. An overriding royalty of two and one-half per cent (2½%) of all oil, gas or other minerals as reserved by Wayne Moore, et ux, and described in that certain assignment of several leases to The Mudge Oil Company, dated February 19, 1948, recorded in Book 126, Page 568 of the records of San Juan County, New Mexico.

B. An overriding royalty of fifteen per cent (15%) of all gas and twenty per cent (20%) of all oil, subject to suspension and conversion to a working interest in certain instances, as reserved by The Mudge Oil Company and more fully described in that certain assignment from The Mudge Oil Company to Delhi Oil Corporation, acknowledged May 1, 1950, recorded in Book 146, Page 633 of the records of San Juan County, New Mexico.

Lease dated June 3, 1947, and executed by James C. Sumruld and wife, Fannie Sumruld, as Lessors, to Wayne Moore, Lessee, covering the Northwest Quarter of the Northeast Quarter (NW/4 NE/4) of Section Thirty-four (34), and the Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of Section Twenty-seven (27) all in Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., and containing 80 acres, more or less; said lease being recorded in Book 125, at Page 238 of the records of San Juan County, New Mexico; said lease having been amended by that certain agreement between James C. Sumruld, et ux, and Delhi Oil Corporation, dated July 13, 1950, recorded in Book 155, Page 25 of the Records of San Juan County, New Mexico and extended by that certain agreement, dated February 19, 1952, between James C. Sumruld, et ux, and Delhi Oil Corporation.

Lease dated May 20, 1947, and executed by R. L. Sprott and wife, Edna Sprott, as Lessors, to Wayne Moore, Lessee, covering Lessor's undivided three-fourths (¾) interest in the West half of the Southwest Quarter of the Northeast Quarter (W/2 SW/4 NE/4) of Section Eight (8), in Township Thirty-one (31) North, Range Ten (10) West, N.M.P.M., and containing 20 acres, more or less; said lease being recorded in Book 125, at Page 239 of the records of San Juan County, New Mexico; said lease having been amended by that certain agreement between R. L. Sprott, et ux, and Delhi Oil Corporation, dated April 20, 1950, recorded in Book 146, Page 678 of the records of

NM 288

NM 1088

NM 289

NM 1091

San Juan County, New Mexico, and said lease having been extended for an additional primary term of five years by that certain agreement between the same parties, dated January 8, 1952, recorded in Book 172, Page 559 of the records of said county.

NM 292

Lease dated May 9, 1946, and executed May 28, 1946, by Arthur Davis, et al, as Lessors, to Ben Case, Lessee, covering the West half of the Southwest Quarter (W/2 SW/4) of Section Twenty-three (23) and the West half of the Northwest Quarter (W/2 NW/4) of Section Twenty-six (26), all in Township Thirty-two (32) North, Range Eleven (11) West, N.M.P.M., and containing 160 acres, more or less, said lease being recorded in Book 125, at Page 55 of the records of San Juan County, New Mexico.

NM 293

Lease dated June 5, 1947, and executed by Gil Turner and wife, Delma Turner, as Lessors, to Wayne Moore, Lessee, covering approximately 149 acres in Section Thirty-four (34), Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, all as more particularly described in said lease as recorded in Book 125, at Page 237 of the records of San Juan County, New Mexico; said lease having been extended in part by Agreement dated February 19, 1952, executed by Carl S. Sexton, et ux.

NM 294

Lease dated February 25, 1946, and executed February 28, 1946, by Mrs. Belle Hutchin, Administratrix, et al, as Lessors, to Ben Case, Lessee, covering "N $\frac{1}{2}$ SE, W $\frac{1}{2}$ NE Section 7", Township 31 North, Range 10 West, N.M.P.M., less two acres, and containing 158 acres, more or less, said lease being recorded in Book 125, Page 49 of the records of San Juan County, New Mexico.

NM 295

Lease dated March 1, 1946, executed by William C. Carruthers and wife, Frankie S. Carruthers, as Lessors, to Ben Case, Lessee, covering the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section Five (5), in Township Thirty-one (31) North, Range Ten (10) West; the North Half of the Northwest Quarter of the Northwest Quarter (N/2 NW/4 NW/4) of Section Eight (8) in Township Thirty-one (31) North, Range Ten (10) West; and the North Half of the Northeast Quarter of the Northeast Quarter (N/2 NE/4 NE/4) of Section Seven (7), in Township Thirty-one (31) North, Range Ten (10) West, N.M.P.M., and containing 80 acres, more or less; said lease being recorded in Book 125, at page 52 of the records of San Juan County, New Mexico; said lease having been amended by that certain agreement between William C. Carruthers, et ux, and Delhi Oil Corporation, dated April 21, 1950.

NM 296

Lease dated April 1, 1946, and executed May 15, 1946, by Arthur Davis, a single person, as Lessor, to Ben Case, Lessee, covering the South Half of the Northwest Quarter (S/2 NW/4), the South Half of the Northeast Quarter (S/2 NE/4) and the North Half of the Southeast Quarter (N/2 SE/4) of Section Twenty-two (22) and the South Half of the Northwest Quarter (S/2 NW/4) of Section Twenty-three (23) in Township Thirty-two (32) North, Range Eleven (11) West, N.M.P.M., and containing 320 acres, more or less; and said lease being recorded in Book 125, at Page 27 of the records of San Juan County, New Mexico; said lease having been amended by that certain agreement between Arthur Davis and Delhi Oil Corporation, dated July 25, 1950.

NM 327

Lease dated October 15, 1946, and executed by Austin D. Decker, et al, as Lessors, to Wayne Moore, Lessee, covering the Southwest Quarter of the Northwest Quarter (SW/4 NW/4), the North Half of the Northwest Quarter (N/2 NW/4), all in Section Twenty (20), the West Half of the Northeast Quarter (W/2 NE/4), the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4), all in Section Nineteen (19), the South Half of the Southwest Quarter (S/2 SW/4) of Section Eight (8), the West Half of the West Half (W/2 W/2) of Section Seventeen (17), the East Half of the Southwest Quarter (E/2 SW/4) and the West Half of the Southeast Quarter (W/2 SE/4) of Section Twenty-nine (29), all in Township Thirty-two (32) North, Range Ten (10) West, N.M.P.M.; also the Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of Section Fourteen (14), the North Half of the Northeast Quarter (N/2 NE/4) of Section Twenty-three (23), and the North Half of the Northwest Quarter (N/2 NW/4) of Section Twenty-four (24), all in Township Thirty-two (32) North, Range Eleven (11) West, N.M.P.M., and containing 880 acres, more or less; said lease being recorded in Book 125, at Page 206, of the records of San Juan County, New Mexico; said lease having been amended in part by that certain agreement between Austin D. Decker, et ux, and Delhi Oil Corporation, dated April 27, 1950.

NM 344

Lease dated February 3, 1947, and executed by Earl Uselman and wife, Edith Uselman, as Lessors, to Wayne Moore, Lessee, covering the Southeast Quarter of the Northwest Quarter (SE/4 NW/4) of Section Four (4) in Township Thirty-one (31) North, Range Ten (10) West, N.M.P.M., containing Forty (40) acres, more or less, according to U. S. Government Survey thereof. Also, all that part of the Northeast Quarter of the Northwest Quarter (NE/4 NW/4) lying South of the North Bank of the Animas River of Section Four (4) in Township Thirty-one (31) North, Range Ten (10) West, N.M.P.M., containing three (3) acres, more or less; said lease being recorded in Book 125, at Page 203, of the records of San Juan County, New Mexico; said lease having been amended by that certain agreement between Earl Uselman, et ux, and Delhi Oil Corporation, dated April 20, 1950, recorded in Book 146, Page 680 of the records of San Juan County, New Mexico, and said lease having been extended by that certain agreement between the same parties, dated January 9, 1952, recorded in Book 172, Page 556 of the records of said county.

NM 347

Lease dated October 13, 1947, and executed by Fred L. Lawson and wife, Grace P. Lawson, as Lessors, to Wayne Moore, Lessee, covering the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section Eleven (11) in Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., and containing Forty (40) acres, more or less; said lease being recorded in Book 130, at Page 17 of the records of San Juan County, New Mexico.

NM 350

Lease dated January 9, 1947, executed by Frank Randlemon and wife, Eva Randlemon, as Lessors, to Ben Case, Lessee, in so far as it covers the following described lands, to-wit: Northeast Quarter of the Southeast Quarter (NE/4 SE/4) of Section Eleven (11) in Township

Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., containing 40 acres, more or less, said lease being recorded in Book 125, Page 214 of the records of San Juan County, New Mexico; said lease having been amended by that certain agreement between Frank Randlemon, et ux, and Delhi Oil Corporation, dated November 2, 1950, recorded in Book 155, Page 31 of the records of said county.

II.

The following leases are subject to the following interests:

A. An overriding royalty of two and one-half per cent ($2\frac{1}{2}\%$) of all oil, gas or other minerals, as reserved by H. F. Pettigrew and described in that certain assignment to Delhi Oil Corporation, dated August 15, 1950, recorded in Book 151, Page 517 of the records of San Juan County, New Mexico.

B. An overriding royalty of fifteen per cent (15%) of all gas and twenty per cent (20%) of all oil, subject to suspension and conversion to a working interest in certain instances, as granted to San Juan Oil Company by, and more fully described in, that certain agreement entered into between San Juan Oil Company and Delhi Oil Corporation, dated January 5, 1951, recorded in Book 157, Page 328 of the records of San Juan County, New Mexico.

NM 363

Lease dated December 3, 1947, executed December 6, 1947 by Ray H. Wooten and wife, Melba Wooten, as Lessors, to Wayne Moore, Lessee, covering the East Half of the Southeast Quarter (E/2 SE/4) of Section Twenty-three (23), Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., in the County of San Juan, New Mexico, containing 80 acres, more or less, said lease being recorded in Book 135, Page 93-A of the records of San Juan County, New Mexico.

NM 364

NM 1084

Lease dated December 29, 1949, executed by Carl G. Calloway, et al, as Lessors, to H. F. Pettigrew, Lessee, covering the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section Twenty-three (23), the East One-half of the Southeast Quarter (E/2 SE/4) of Section Twenty-two (22) and the Northeast Quarter of the Northeast Quarter (NE/4 NE/4) of Section Twenty-seven (27), all in Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, being the same land patented to Shade Calloway, by the U. S. A. October 26, 1914, recorded in Book 59, Page 121, of the records of San Juan County, New Mexico, containing 160 acres, more or less, said lease being recorded in Book 140, Page 335 of the records of said county.

NM 365

NM 1079

Lease dated September 1, 1948, executed by Saul A. Yager, et ux, as Lessors, to Wayne Moore, Lessee, covering the South one-half of the Northwest Quarter (S/2 NW/4), and the Northeast Quarter of the Southwest Quarter (NE/4 SW/4) and the Northwest Quarter of the Southeast Quarter (NW/4 SE/4) of Section Twenty-seven (27), Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, and containing 160 acres, more or less, said lease being recorded in Book 135, Page 86 of the records of said county.

NM 383

- 1081

Lease dated September 1, 1948, executed by Saul A. Yager, et ux, as Lessors, to Wayne Moore, Lessee, covering the North one-half of the Southwest Quarter (N/2 SW/4), the Southeast Quarter of the Southwest Quarter (SE/4 SW/4) and the Southwest Quarter of the Southeast Quarter (SW/4 SE/4), all in Section Thirty-two (32), Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, containing 160 acres, more or less, said lease being recorded in Book 135, Page 87, of the records of San Juan County, New Mexico.

III.

The following leases are subject to the following interests:

A. An overriding royalty of two and one half per cent (2½%) of all oil, gas or other minerals as reserved by Primo Oil Company and described in that certain assignment to Delhi Oil Corporation, dated January 11, 1951, recorded in Book 157, Page 246 of the records of San Juan County, New Mexico.

B. An overriding royalty of fifteen per cent (15%) of all gas and twenty per cent (20%) of all oil, subject to suspension and conversion to a working interest in certain instances, as granted to San Juan Oil Company by, and more fully described in, that certain agreement entered into between San Juan Oil Company and Delhi Oil Corporation, dated May 25, 1951, recorded in Book 165, Page 447 of the records of San Juan County, New Mexico.

NM 377

NM 1078

Lease dated September 1, 1948, executed by Saul A. Yager, et ux, as lessors, to Wayne Moore, Lessee, covering the East one-half of the Southwest Quarter (E/2 SW/4) of Section Fifteen (15), Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, containing 80 acres, more or less, said lease being recorded in Book 135, Page 88 of the records of San Juan County, New Mexico.

NM 378

NM 1080

Lease dated September 1, 1948, executed by Saul A. Yager, et ux, as Lessors, to Wayne Moore, Lessee, covering the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section Thirty-one (31) in Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, containing 40 acres, more or less, said lease being recorded in Book 135, Page 83 of the records of San Juan County, New Mexico.

NM 379

NM 1083

Lease dated September 1, 1948, executed by Saul A. Yager, et ux, as Lessors, to Wayne Moore, Lessee, covering the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section Six (6), Township Thirty (30) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, containing 40 acres, more or less, said lease being recorded in Book 135, Page 84 of the records of San Juan County, New Mexico.

NM 380

NM 1082

Lease dated September 1, 1948, executed by Saul A. Yager, et ux, as Lessors, to Wayne Moore, Lessee, covering the Southeast Quarter of the Southeast

Quarter (SE/4 SE/4) of Section Eight (8), Township Thirty-one (31) North, Range Ten (10) West, N.M.P.M., San Juan County, New Mexico, containing 40 acres, more or less, said lease being recorded in Book 153, Page 441 of the records of San Juan County, New Mexico.

NM 381

Lease dated May 4, 1950, executed May 5, 1950 by Geo. F. Bruington, et ux, as Lessors, to H. F. Pettigrew, Lessee, in so far as said lease covers all that part of the Northeast Quarter of the Northeast Quarter (NE/4 NE/4) of Section Thirty-five (35) situated, lying and being East of the right of way of the Denver & Rio Grande Railroad Company and all that part of the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section Twenty-five (25) lying and being East of the Aztec Ditch, all in Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M. and Lot Three (3), or the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section Nineteen (19), Township Thirty-one (31) North, Range Ten (10) West, N.M.P.M., all in San Juan County, New Mexico, purported to contain approximately 110.80 acres, said lease being recorded in Book 146, Page 320 of the records of San Juan County, New Mexico.

NM 382

Lease dated December 20, 1949, executed by J. J. Armstrong, et ux, as Lessors, to H. F. Pettigrew, Lessee, covering three tracts of land in Section Seven (7), Township Thirty-one (31) North, Range Ten (10) West, N.M.P.M., San Juan County, New Mexico, containing 25 acres, more or less, all as more particularly described in said lease and the record thereof, said lease being recorded in Book 140, Page 15 of the Records of said county.

NM 383

Lease dated December 20, 1949, executed by Carl G. Calloway, a single person, and Zella Calloway, a single person, as Lessors, to H. F. Pettigrew, Lessee, in so far as said lease covers all of that part of the Northwest Quarter of the Northeast Quarter of the Northeast Quarter (NW/4 NE/4 NE/4) of Section Thirty-five (35), Township Thirty-one (31) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, lying and being West of the Denver & Rio Grande Western Railroad Company right-of-way, containing 4 acres, more or less, said lease being recorded in Book 140, Page 336 of the records of San Juan County, New Mexico.

IV.

The following leases are subject to the following interest:

An overriding royalty of one-fifth (1/5) of seven-eighths (7/8) of the proceeds from the sale of all oil, gas and other hydrocarbon substances produced, saved and marketed, as granted to M. J. Florance, et ux, and described in that certain assignment from Blanco Gas Company, dated October 10, 1950.

NM 420

Lease dated October 20, 1947, executed by Carl S. Sexton, et ux, as Lessors, to M. J. Florance, Lessee, covering the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section Twenty-seven (27) and the Northeast Quarter of the Northwest Quarter (NE/4 NW/4) and the North one-half of the Northeast Quarter (N/2 NE/4) in Section

271-2

Twenty-eight (28), Township Thirty-one (31) North, Range Nine (9) West, N.M.P.M., San Juan County, New Mexico, containing 160 acres, more or less, said lease being recorded in Book 130, Page 43 of the records of San Juan County, New Mexico.

NM 421

Lease dated August 16, 1947, executed by Ricardo Jaquez, et ux, as Lessors, to C. H. Nye, Lessee, only in so far as it covers Lot Two (2) or the Southwest Quarter of the Northwest Quarter (SW/4 NW/4), Lot Three (3) or the Northwest Quarter of the Southwest Quarter (NW/4 SW/4), the Southeast Quarter of the Northwest Quarter (SE/4 NW/4), the Northeast Quarter of the Southwest Quarter (NE/4 SW/4) and the Southwest Quarter of the Northeast Quarter (SW/4 NE/4), all in Section Thirty (30), Township Thirty (30) North, Range Eight (8) West, N.M.P.M., San Juan County, New Mexico, containing 143 acres, more or less, said lease being recorded in Book 130, Page 2 of the records of San Juan County, New Mexico.

NM 422

Lease dated October 20, 1947, executed by Felipe Jaquez, et ux, as Lessors, to M. J. Florance, Lessee, covering the West one-half of the Southwest Quarter (W/2 SW/4) of Section Twenty-one (21), the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section Twenty-eight (28), the North one-half of the North one-half (N/2 N/2) of Section Twenty-nine (29) and the Northeast Quarter of the Northeast Quarter (NE/4 NE/4) of Section Thirty (30), all in Township Thirty-one (31) North, Range Nine (9) West, N.M.P.M., San Juan County, New Mexico, covering 320 acres, more or less, said lease being recorded in Book 130, Page 44 of the records of San Juan County, New Mexico.

NM 423

Lease dated August 18, 1947, executed by Theodoro Archuleta, et ux, as Lessors, to C. H. Nye, Lessee, covering approximately 127.4 acres in the Southeast Quarter of the Southwest Quarter (SE/4 SW/4), the West one-half of the Southeast Quarter (W/2 SE/4) and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4), all in Section Nineteen (19), Township Thirty (30) North, Range Eight (8) West, N.M.P.M., San Juan County, New Mexico, all as more specifically described in said lease, said lease being recorded in Book 130, Page 3 of the records of San Juan County, New Mexico.

NM 424

Lease dated September 8, 1947, executed by Ezell Taylor, et al, as Lessors, to M. J. Florance, Lessee, covering the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section Nine (9), the Southwest Quarter of the Southwest Quarter (SW/4 SW/4), all that part of the North one-half of the Southeast Quarter (N/2 SE/4) and the East one-half of the Southwest Quarter (E/2 SW/4) of Section Ten (10) lying and being on the North and West side of the San Juan River, and all that part of the North one-half of the Northwest Quarter (N/2 NW/4) of Section Fifteen (15) lying and being on the North and West side of the San Juan River, all in Township Thirty (30) North, Range Eight (8) West, N.M.P.M., San Juan County, New Mexico, containing 200 acres, more or less, said lease being recorded in Book 130, Page 42 of the records of San Juan County, New Mexico.

Lease dated September 15, 1947, executed by Antonio Martinez, et al, as Lessors, to C. H. Nye, Lessee, covering the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section Twelve (12) and all that part of the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section Thirteen (13) lying, being and situated west of the Moline Arroya, all in Township Thirty (30) North, Range Eight (8) West, containing 60 acres, more or less, said lease being recorded in Book 130, Page 41 of the records of San Juan County, New Mexico.

V.

The following lease is subject to an overriding royalty of fifteen per cent (15%) of all gas and twenty per cent (20%) of all oil, subject to suspension and conversion to a working interest in certain instances as reserved by John Byerly, et ux, and more fully described in that certain assignment to Delhi Oil Corporation, dated September 20, 1950, recorded in Book 153, Page 94 of the records of San Juan County, New Mexico.

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Lease dated November 4, 1947, executed by O. J. Carson, et ux, as Lessors, to John Byerly, Lessee, covering the Southeast Quarter (SE/4) of Section Twenty-eight (28), Township Twenty-six (26) North, Range Eleven (11) West, N.M.P.M., San Juan County, New Mexico, containing 160 acres, more or less, said lease being recorded in Book 130, Page 50 of the records of San Juan County, New Mexico.

All of the foregoing leases are subject to the usual lessor's royalty of one-eighth (1/8) as more fully described in each said lease.

ASSIGNMENT OF OIL AND GAS LEASE

THIS AGREEMENT, made and entered into effective as of the 23rd day of May, 1983 by and between EL PASO NATURAL GAS COMPANY, a corporation whose address is Post Office Box 1492, El Paso, Texas 79978, (hereinafter referred to as "Assignor"), and BASIN MINERALS, INC., a corporation, whose address is P.O. Box 1136, Roswell, New Mexico 88021, hereinafter referred to as "Assignee";

W I T N E S S E T H :

WHEREAS, Assignor is the present owner of certain operating rights in, to and under that certain Oil and Gas Lease made and entered into by and between Saul A. Yager and his wife, Marian Yager, as Lessors, and Wayne Moore, as Lessee, dated as of September 1, 1948, recorded in Book 135, Page 86 of the records of San Juan County, New Mexico, to wit:

Township 31 North, Range 11 West, N.M.P.M.
Section 27: S/2 NW/4, NE/4 SW/4
Containing 120.00 acres, more or less;

hereinafter referred to as said lease and lands.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid to Assignor, and other good and valuable consideration, the full receipt and sufficiency of which are hereby acknowledged and confessed for all purposes, Assignor does hereby grant, bargain, sell, assign, set over, transfer and convey unto Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the operating rights in and under said lease and lands from the surface of the earth to the base of the Mesaverde Formation, including, but not limited to, all of Assignor's right to conduct operations for the purpose of drilling for, mining, extracting, removing, appropriating and disposing of all oil and gas produced therefrom.

THIS ASSIGNMENT OF OIL AND GAS LEASE IS MADE WITHOUT WARRANTY OF TITLE, EITHER EXPRESS OR IMPLIED.

The interest hereby assigned shall bear all royalties, overriding royalties, payments out of production, burdens and encumbrances which are applicable to such interest.

IN WITNESS WHEREOF, this Assignment of Operating Rights is executed as of the day and year first above written.

EL PASO NATURAL GAS COMPANY

By: A. M. Derrick
Senior Vice President

STATE OF TEXAS)

COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally appeared A. M. Derrick, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Senior Vice President of EL PASO NATURAL GAS COMPANY, a corporation, and acknowledged to me that he executed such instrument for the purposes and consideration therein expressed, as the act of said corporation and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23 day of May, 1983.

My Commission Expires:
MARY E. ASHLEY
Notary Public in and for STATE OF TEXAS
My Commission Expires 07-23-86

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION <u>Mary E. Ashley</u> Notary Public CASE NO. <u>7883, 7884, 7885</u> Submitted by <u>Applicant</u> Hearing Date <u>5/25/85</u>
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Ex No. 5