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.

Mary E. Ashley
Notary Public

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
EXHIBIT NO. 5
CASE NO. 7883, 7884, 7885
Submitted by Applicant
Hearing Date 5/25/83