

Assignor herein as said Assignment appears of record filed on June 20, 1972, Book 86, page 949 in the Miscellaneous Records of the County Clerk, Eddy County, State of New Mexico; that this Assignment is subject to the approval of the Bureau of Land Management and that in connection with the performance of work under this conveyance, Operator and Non-Operator agree to operate said lease hold premises in a manner so as to interfere as little as possible with the operation of each other and at the same time comply with all of the provisions of Section 301 (1) to (7) inclusive, of Executive Order 10925 (26 F.R. 1977), which are hereby incorporated by reference in this conveyance, and to require an identical provision to be included in all sub-contracts.

Assignee shall indemnify and hold Assignor harmless from and against any and all claims, loss, cost, liability and expense arising out of operations subsequent to the effective date hereof, including, without limitation, any liability, cost and expense in connection with any obligation to properly plug and/or abandon existing wells or other facilities.

This assignment is made subject to any presently effective contracts and agreements applicable to the interests hereby assigned, including, without limitation, unitization agreements, operating agreements, pooling or communitization agreements, and gas sales contracts.

This assignment is made without warrenty of title except as to those claiming by, through or under Assignor. Assignee agrees to accept all personal property and equipment covered hereby in its present condition, and this assignment is made without warranty of any kind as to fitness, condition or suitability for any purpose.

EXECUTED this 15 day of Oct., 1986.

C & C OPERATING CORPORATION

By J. A. Johnson
Secretary-Treasurer
J.A. Johnson

ACCEPTED AND AGREED TO
this 15 day of Oct 1986

B & W OIL COMPANY

By Billy J. Smith
OWNER

STATE OF OKLAHOMA

County of Oklahoma

(ACKNOWLEDGMENT FOR INDIVIDUAL)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 15 day of October, 1986, personally appeared Billy J. Smith and J.A. Johnson

personally known to me to be the identical persons, who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

My commission expires 11-15-88

Mary E. Pierce
Notary Public