

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED BY

DEC 18 1984

O. C. D.

ARTESIA, OFFICE

FORM APPROVED
OMB NO. 42-R1599

Lease Serial No.

LC-067132

Lease effective date

August 1, 1947

TRANSFER, ASSIGNMENT, OR SUBLEASE
OF OPERATING RIGHTS IN OIL AND GAS LEASE

PART I

1. Assignee's Name

Robert E. Boling

Address (include zip code)

202 American Home Building
Artesia, New Mexico 88210

The undersigned, as owner of 100 percent of operating rights in the above-designated oil and gas lease, hereby transfers, assigns, and/or subleases to the assignee shown above, the operating rights in such lease as specified below.

2. Describe the lands affected by this transfer, assignment, and/or sublease (43 CFR 3101.2-3)

NE/4SW/4 of Section 22, T18S, R29E, Eddy County, New Mexico, below a depth of 3,500'

3. Specify interest or percent of operating rights being conveyed to assignee

100%

4. Specify interest or percent of operating rights being retained by assignor

-0-

5. Specify overriding royalty interest being reserved by assignor

-0-

6. Specify overriding royalty previously reserved or conveyed, if any

7.5%

7. If any payments out of production have previously been created out of this interest, or if any such payments are being reserved under this transfer, assignment, or sublease, attach statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106.

8. If the parties to this transfer and assignment have entered into an operating agreement and/or sublease, the terms and conditions of such agreement/sublease (copy attached) are incorporated into and made a part of this assignment. Approval of this assignment shall constitute approval of the agreement/sublease insofar as such agreement/sublease is not inconsistent with the provisions of the above-designated lease and the applicable regulations.

It is agreed that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17½ percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 29th day of MARCH, 1983.

A. D. James

(Assignor's Signature)

A. D. James, Attorney-In-Fact for
Southland Royalty Company

21 Desta Drive

(Assignor's Address)

Midland, Texas, 79701

(City)

(State)

(Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

MAY 1 1983

Assignment approved effective

By

Dulane L. Vail

(Authorized Officer)

Chief, Lands and Oil and Gas Unit

JUN 09 1983

ASSIGNEE'S APPLICATION FOR APPROVAL OF TRANSFER OF OPERATING RIGHTS AND/OR OPERATING AGREEMENT (SUBLEASE)

ASSIGNEE CERTIFIES THAT

1. Assignee is over the age of majority

2. Assignee is a citizen of the United States

3. Assignee is ☐ Individual ☐ Municipality ☐ Association ☐ Corporation. If other than an individual, assignee's statement of its qualifications are attached. If previously furnished, identify the serial number of the record in which filed

4. Assignee's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options or 246,000 chargeable acres in options and leases in the same State, or 300,000 chargeable acres in leases and options in each leasing District in Alaska.

5. Assignee ☐ is ☐ is not the sole party in interest in this assignment. Information as to interests of other parties in this assignment must be furnished as provided in the regulations (43 CFR 310.6).

6. A filing fee of \$25.00 is attached.

B. ASSIGNEE AGREES THAT, upon approval of this transfer of operating rights and/or operating agreement (sublease) by the authorized officer of the Bureau of Land Management, he will be bound by the terms and conditions of the lease described herein as to the interests covered by this assignment, including, but not limited to, the obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any drilling operations as prescribed in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to the regulations (43 CFR 310.2).

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this

day of

19

(Assignee's Signature)

(Assignee's Address)

(City)

(State)

(Zip Code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

INSTRUCTIONS

4. Statement of Interest of Other Parties - If assignee is not the sole party in interest in the assignment, assignee or transferee must submit, at the time assignment is filed, a signed statement giving the names of any other parties who will have an interest in such operating rights. Within fifteen (15) days after the filing of the assignment, the assignee and all such other parties interested must submit, together with evidence of their qualifications to hold the lease interest, separate and signed statements giving the nature and extent of the interest of each, the nature of the agreement between them, if oral; and a copy of the agreement, if written.

1. Use of Form - Use only for assignment of operating rights (including working interests) in oil and gas leases. If transfer of operating rights is accompanied by an operating agreement, a single copy of such agreement must be submitted with the assignment. If more than one transfer of operating rights is made out of a lease, a separate instrument of transfer is required for each assignment.

2. Filing and Number of Copies - File three (3) completed and manually signed copies in the appropriate BLM office. A \$25.00 nonrefundable filing fee must accompany this assignment. File assignment within ninety (90) days after date of final execution.

3. Effective Date of Assignment - The assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers. Assignee's

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this assignment and request for approval.

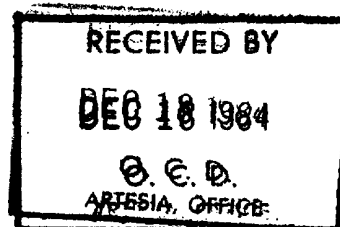
AUTHORITY: 30 U.S.C. et. seq.

PRINCIPAL PURPOSE - The information is to be used to process the assignment and request for approval.

ROUTINE USES:

- (1) The adjudication of the assignee's rights to the land or resources.
- (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.
- (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.
- (4)(5) Information from the record and/or the record with the transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION - If all the information is not provided, the assignment may be rejected.



INDIVIDUAL

STATE OF _____ §
COUNTY OF _____ §

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

My commission expires: _____

Notary Public

Attorney-In-Fact

STATE OF TEXAS §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 13th day
of April, 19 83, by A. D. JAMES
as attorney-in-fact on behalf of SOUTHLAND ROYALTY COMPANY

My commission expires:
November 24, 1985

Ann McCrary (Ann McCrary)
Notary Public

CORPORATION

STATE OF _____ §
COUNTY OF _____ §

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

My commission expires: _____

Notary Public

ASSIGNMENT OF OPERATING RIGHTS AND BILL OF SALE

RECEIVED BY

DEC 18 1984

O. C. D.

ARTESIA, OFFICE

SOUTHLAND ROYALTY COMPANY, 1000 Fort Worth Club Tower, Fort Worth, Texas (hereinafter referred to as "Assignor"), for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby sell, transfer, assign, and convey to ROBERT E. BOLING (hereinafter referred to as "Assignee"), all of Assignor's right, title, and interest in the operating rights in that certain Oil and Gas Lease (hereafter called Lease), hereinafter described subject to the area limitations, depth limitations, overriding royalty interest reserved by Assignor and other qualifications as specified herein. For like consideration, Assignor does also hereby sell, transfer, assign, and convey unto Assignee all wells (including production casing) located on the above described lands together with all materials and equipment therein, thereon, and used in connection therewith located on the Lease as of the date of this instrument.

1. Operating Rights Assigned:

Assigned Interest. Subject to the other provisions hereof, Assignor hereby assigns and conveys to Assignee an undivided 100% of Assignor's right, title, and interest in the operating rights in the oil and gas lease identified below:

Assignor's Property No.: 25387-00
Assignor's Serial No.: LC-067132 (based on LC-059176)
Lessor: United States of America
Lessee: Edith A. Hover, Executrix of the Estate of A.H. Hover
Lease Date: August 1, 1947
Covering NE/4SW/4 of Section 22, T18S, R29E, Eddy County, New Mexico, below a depth of 3,500'
Recorded in Volume 68, Page 323 in the Oil and Gas Lease Records of Eddy County, New Mexico

2. Prior Incumbrances.

This assignment is made expressly subject to any and all prior binding contractual commitments, overriding royalties, production payments, or other burdens heretofore reserved or granted which affect the Lease and property conveyed herein.

It is agreed and understood that all merchantable oil above pipeline connections in the tanks as of the effective date hereof shall belong to and remain the property of Assignor. Assignee shall pay any and all unpaid ad valorem or severance taxes owing on the assigned premises.

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ARTESIA, OFFICE

3. Liability of Assignee.

Assignee, by his acceptance hereof, assumes full responsibility for the operation of the Lease and agrees that such operation shall be at his sole risk, cost, and expense. Assignee specifically agrees to bear the full liability for any and all damages whatsoever which may be sustained by third parties as a result of Assignee's operations on the Lease. It is expressly understood Assignee agrees to properly plug and abandon all wells located on the Lease and restore the premises in accordance with State of New Mexico and Federal Regulations (if applicable) and prudent oil field practice. In this regard Assignee shall indemnify and hold Assignor harmless from all liability to Assignee or to third parties for any such failure to properly plug and abandon said wells.

4. Warranty of Title.

This Assignment is made without any warranty of title whatsoever. Assignor does not warrant the quality, quantity, weight, grade, FITNESS FOR PARTICULAR PURPOSES, or MERCHANTABILITY of the materials and equipment assigned herein. The Assignee accepts same "as is".

This Assignment shall be a covenant running with the land and shall be binding on Assignor and Assignee, their respective heirs, successors, and assigns.

IN WITNESS WHEREOF, this instrument is executed this 29th day of MARCH, 1983.

Assignee:
ROBERT E. BOLING

Assignor:
SOUTHLAND ROYALTY COMPANY

By: Robert E. Boling

Title: _____

By: A. D. James

Title: _____

A.D. James, Attorney-In-Fact

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me the _____ day of _____, 1983, by _____, of Southland Royalty Company, a Delaware Corporation, on behalf of the Corporation.

Notary Public in and for
_____, County, Texas

ACKNOWLEDGMENT

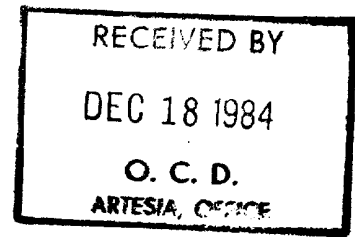
STATE OF NEW MEXICO

COUNTY OF EL PASO

On this 27th day of MARCH in the year 1983 before me personally appeared ROBERT F. BELMONT known to me to be the person who is described in and who executed the within and foregoing instrument, and acknowledged to me that he executed the same.

Patricia Ferguson
Notary Public
My Commission Expires:

11-3-84



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ARTESIA, OFFICE

INDIVIDUAL

STATE OF §
COUNTY OF §

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

My comission expires: _____
Notary Public

Attorney-In-Fact

STATE OF TEXAS §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 13th day
of April, 19 83, by A. D. JAMES
as attorney-in-fact on behalf of SOUTHLAND ROYALTY COMPANY

My commission expires:
November 24, 1985

Ann McCrary (Ann McCrary)
Notary Public

CORPORATION

STATE OF §
COUNTY OF §

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

My commission expires: _____
Notary Public