

Oil Conservation Commission
Case No. 13711
March 16, 2007
OCD EXHIBIT 5

NEW MEXICO STATE LAND OFFICE
ASSIGNMENT OF OIL AND GAS LEASE

From lease number
LG-4234-1
To lease number
LG-4234-2

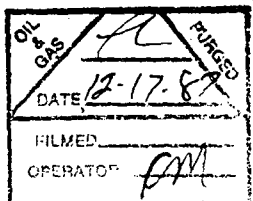
That ENRON OIL & GAS COMPANY (successor in interest through merger to HNG Oil Company),
(wife, if any or state of incorporation)
P.O. Box 1188, Houston, Texas 77251-1188

hereinafter called "Assignor" (whether one or more), for and in consideration of Ten or more Dollars, paid by
ENRON OIL & GAS COMPANY (successor in interest through merger to HNG Oil Company)

whose Post Office address is P.O. Box 1188, Houston, Texas 77251-1188

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, 19 77, only insofar as said lease covers the following
land, in Lea County, New Mexico, to wit:



T22S-R35E, C.S.
Section 4: Lots 1 (41.74), 2 (41.81),
3 (41.89), 4 (41.96), S2N2, S2
Containing 647.40 acres, more or less.

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 lands.

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 29th day of October, 19 87, but effective August 1, 1987.

ATTEST:

ENRON OIL & GAS COMPANY
(successor in interest through
merger to HNG Oil Company)

J. Jeffers Spencer
J. Jeffers Spencer, Asst. Secretary

R. W. Usrey
R. W. Usrey, Vice President - Land

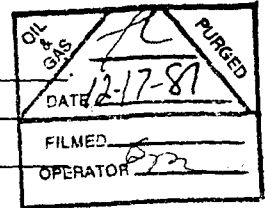
(PERSONAL ACKNOWLEDGMENT)

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 Harris) ss.

The foregoing instrument was acknowledged before me this 29th day of October, 1987,
by R. W. Usrey, Vice President-Land of Enron Oil & Gas Company
(Name) (Title) (Corporation)

a Delaware corporation, on behalf of said corporation.

My commission expires: 3-18-91

Notary Public

Kim Zachary

(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 _____
approved by me and to be effective as to the State of New Mexico on November 24, 1987

NOV 29 1987

W. R. Humphries
Commissioner of Public Lands

INSTRUCTIONS AND INFORMATION

1. An annual rental, at the rate of 50¢ 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 the date of signing and accompanied by Cashier's Check, Bank Draft, P.O. or Express Money Order.
4. The recording fee for each assignment is \$30.00 (if filed over 100 days from date of signing, additional fee of \$75.00 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 subdivisions 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
P.O. Box 1148
Santa Fe, New Mexico 87501