

EXHIBIT "C"

ASSIGNMENT OF OIL, GAS AND MINERAL LEASE

STATE OF NEW MEXICO     §

COUNTY OF SAN JUAN     §

KNOW ALL MEN BY THESE PRESENTS:

THAT \_\_\_\_\_, whose address is \_\_\_\_\_, hereinafter referred to as Assignor, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, by these presents does hereby bargain, sell, convey, transfer, assign and deliver unto THAT BURLINGTON RESOURCES OIL & GAS COMPANY, whose address is 3535 E. 30th St., Farmington, NM 87402, hereinafter referred to as Assignee, all of Assignor's right, title and interest in that certain Oil, Gas and Mineral Leases described in Exhibit "A" attached hereto and made a part hereof.

Assignor accepts and reserves unto itself, its successors and assigns an overriding royalty equal to the difference between lease burdens and 20% all oil, gas and other minerals that are produced, saved and marketed from the lands covered by the oil, gas and mineral lease described on Exhibit "A".

This assignment is made subject to the following terms, provisions, and conditions:

I.

The overriding royalty herein reserved shall be computed in the same manner under the same conditions and circumstances as the lessor's royalty provided for in the lease to which it applies.

## EXHIBIT "C"

### II.

The overriding royalty herein reserved shall bear its proportion of all severance, production, gathering, ad valorem, windfall profit and similar taxes now or hereafter applicable thereto or affecting the same. In the event that the lease does not validly cover and affect all of the mineral rights in and under the property therein described, or in the event of a failure of the leasehold title to such property, the overriding royalty with respect to the acreage affected thereby shall be reduced proportionately.

### III.

No change or division of ownership of the overriding royalty herein reserved, or change in the capacity or status of Assignor, however accomplished, shall be binding on Assignee, nor impair the effectiveness of any payment made hereunder until ten (10) days after Assignee shall have been furnished a certified copy of the recorded instrument evidencing such change or division in ownership, or the change in the capacity or status of Assignor.

### IV.

Assignee shall have the right to pool or unitize the acreage and interest covered by the lease, including the overriding royalty herein reserved, without Assignor's joinder or consent, and as to any unit or units formed, whether by declaration, regulatory order or otherwise, the overriding royalty herein reserved shall, subject to the provisions of Paragraph II hereof, be computed only on the proportionate part of the production from such unit that is allocated to the land subject to said overriding royalty, and unless otherwise allocated by order of a regulatory body, the amount of production to be so allocated from each pooled unit shall be that proportion of such production that the surface area of the land affected hereby and included within such unit bears to the total surface area of all lands within such pooled unit.

### V.

Assignee assumes and obligates itself to comply with the terms, provisions and obligations of the lease, and agrees to protect the Assignor and to hold him harmless against any and all claims, demands and causes of action arising out of or in any way connected with operations conducted by Assignee under or pursuant to said leases.

## EXHIBIT "C"

### VI.

It is expressly agreed and understood that operations, if any, upon the leased premises and the extent and duration thereof, as well as the maintenance of said leases by rental payments or otherwise, shall be solely at the will and discretion of the Assignee, subject to the provisions of Article IX.

### VII.

This assignment and transfer is made without warranty of title, either express or implied, except for acts by, through and under Assignor and is made with subrogation and substitution and substitution to all of Assignor's rights and actions in warranty.

### X.

BURLINGTON RESOURCES OIL & GAS COMPANY, its successors or assigns, shall respond to, defend, indemnify and hold \_\_\_\_\_ harmless from and against any an all claims for damages and forfeiture made by any person or concern by reason of BURLINGTON's failure to comply with the express and implied obligations and covenants of the leases described in Exhibit "A" hereto, and shall indemnify and hold \_\_\_\_\_ harmless from and against any and all claims for damages and loss by reason of BURLINGTON's failure to comply with the express obligations of the agreement.

BURLINGTON shall hold harmless and indemnify and defend \_\_\_\_\_ from and against all losses, damages, plugging liabilities, claims and suits (including attorneys' fees and other expenses of litigation), even though groundless, false or fraudulent, on account of any loss or damage to owned, leased or contracted rights and related equipment, or injury, including death resulting therefrom, suffered by BURLINGTON, its agents and employees, or its contractors' and subcontractors' employees or third parties that arise from or relate to BURLINGTON's performance or non-performance or operations conducted hereunder. If any suit is filed on any such claim, BURLINGTON shall immediately notify \_\_\_\_\_ and permit \_\_\_\_\_ to participate in the defense thereof, this without waiver or impairment of BURLINGTON's indemnities to \_\_\_\_\_.

EXHIBIT "C"

It is agreed that with respect to any statutory limitations now or hereafter in effect and affecting the validity or enforceability of this indemnification provision, such statutory limitations are made a part of this indemnification provision with respect to work performed and operations conducted in the state in which such statute applies, and shall operate to amend this indemnification provision to the minimum extent necessary to bring this provision into conformity with the requirements of such statute, and as so modified, this provision shall continue in full force and effect.

IN WITNESS WHEREOF, this instruments is executed this \_\_\_\_\_ day of \_\_\_\_\_, 1997, with an effective date of April 1, 1997.

**ASSIGNOR:**

\_\_\_\_\_

BY: \_\_\_\_\_

**ASSIGNEE:**

BURLINGTON RESOURCES  
OIL & GAS COMPANY

BY: \_\_\_\_\_

Robert T. Kennedy, Attorney-in-Fact

EXHIBIT "C"

ACKNOWLEDGMENTS

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF SAN JUAN )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1997, by Robert T. Kennedy, Attorney-in-Fact, of BURLINGTON RESOURCES OIL & GAS COMPANY, a Delaware corporation, for and on behalf of said corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

-----

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1997, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, for and on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**EXHIBIT "A"**

**LEASE DESCRIPTION TO BE ADDED LATER IN ACCORDANCE  
WITH THE TERMS AND CONDITIONS OF THE FARMOUT  
LETTER AGREEMENT DATED JUNE 6, 1997.**