

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **Pogo Producing Company LLC**, successor to Pogo Producing Company, whose address is Suite 2100, 1021 Main Street, Houston, Texas 77002 (hereinafter referred to as "Assignor"), hereby grants, assigns, and conveys to: **Bonnie Resler Karlsrud**, whose address is 840 Crescent Dr., Boulder, CO 80303, an undivided 40.34%; **Wayne Resler**, whose address is 795 Woodland Drive, El Paso, Texas 79922, an undivided 38.36%; and **Jimmy D. Evans and his wife, Linda B. Evans**, whose address is P.O. Box 1855, Eunice, NM 88231-1855, an undivided 21.30% (hereinafter collectively referred to as "Assignee"), an overriding royalty interest equal to thirty percent (30.00%) of 8/8 less the royalty and other burdens currently of record (or otherwise reflected in the Contractual Agreements identified on Exhibit "A" attached hereto) in and to all gas and condensate produced and sold from the depth intervals defined in the Special Rules and Regulations for the Jalmat Gas Pool, established by the New Mexico Oil Conservation Division (Case No. 12563, Order No. R-8170-P), which are defined in such rules as the depth interval from the top of the Tansill formation to a point 100 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation, under the following land(limited to such intervals, the "Land"), in Lea County, New Mexico, to wit:

Township 23 South, Range 37 East, N.M.P.M.
Section 20 SE¼

Assignee shall be responsible for Assignee's proportionate part of all taxes and assessments levied upon or against or measured by the production of oil and gas therefrom. For purposes of calculating Assignee's overriding royalty interest, where oil or gas is sold under a contract entered into at arm's length, the "market value" of production shall conclusively be deemed to be the amount realized from such sale. If Assignor owns less than the entire interest in the Oil and Gas Leases listed on Exhibit "A" attached hereto (the "Leases"), or if the Leases together with the unleased mineral interest subject to that certain Operating Agreement identified as Contractual Agreement c) on Exhibit A account for less than the full mineral interest in the Land, then the overriding royalty interest assigned hereby shall be proportionately reduced. The overriding royalty interest will be subject to any pooling or comunization agreement or designation of pooled unit to which Assignor may commit all or any portion of the Land, and in the event of pooling such overriding royalty will be paid in the proportion that the surface acreage in which Assignee owns such interest bears to the total acreage within the pooled unit. Assignor will have no drilling or development obligation, nor any leasehold preservation obligation, in favor of Assignee by virtue of Assignee's overriding royalty interest, all such matters being entirely at Assignor's discretion. No change in the ownership of the overriding royalty interest shall be binding on Assignor until such time as Assignor shall have been furnished with either the original, a certified copy or an acceptable reproduced copy of the recorded instrument or instruments effecting the change in ownership

If Assignor, or its successors or assigns, shall secure a renewal or extension of any of the Leases covering all or any part of the Land, then the overriding royalty interest conveyed hereunder shall apply to such renewed or extended Lease, subject to proportionate reduction. A "renewal" or "extension" of a Lease as used herein, shall mean any lease or leases acquired by Assignor, its successors or assigns, within six (6) months from the termination of the subject Leases(s) and

covering all or a part of the same interest(s) in the Land.

To have and to hold said overriding royalty interest unto Assignee, its successors and assigns forever. This Assignment is made without warranty of title, either expressed or implied.

Executed this 24th day of ~~July~~ 2008, but to be effective July 1, 2007.

POGO PRODUCING COMPANY LLC *ol*

By:

Doss R. Bourgeois
Doss R. Bourgeois
Vice-President

STATE OF TEXAS §
 § ss.
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 24th day of ~~July~~ 2008, by Doss R. Bourgeois, as Vice-President of Pogo Producing Company LLC, a Delaware limited liability company, on behalf of the company.

Cheeryl Bounds

Notary Public in and for the State of Texas

My Commission Expires

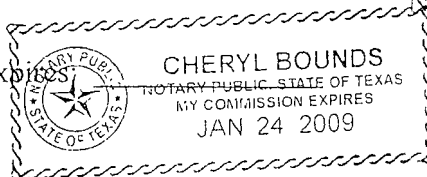


EXHIBIT "A"

TO ASSIGNMENT OF OVERRIDING ROYALTY INTEREST
POGO PRODUCING COMPANY LLC, ASSIGNOR, TO
- BONNIE RESLER KARLSRUD, ET AL, ASSIGNEE
DATED ~~JULY 27~~ JULY 24, 2008, BUT EFFECTIVE JULY 1, 2007

LEASES:

Pogo Lease No.: L870.001.001
Date: July 20, 1954
Recording Data: Book 119, page 278
Lessor: Otis L. Jones, *et ux.*
Lessee: Dalport Oil Corp.

Pogo Lease No.: L870.001.002
Date: May 3, 1956
Recording Data: Book 147, page 460
Lessor: Sally Saunders Tale, *et al.*
Lessee: William E. Anthony

Pogo Lease No.: L870.001.003
Date: May 3, 1956
Recording Data: Book 147, page 458
Lessor: Rose M. Fortier
Lessee: William E. Anthony

Pogo Lease No.: L870.001.004
Date: July 11, 1956
Recording Data: Book 147, page 456
Lessor: Neil H. Wills, *et ux.*
Lessee: William E. Anthony

Pogo Lease No.: L870.001.005
Date: May 3, 1956
Recording Data: Book 147, page 454
Lessor: Sol Kelly, *et ux.*
Lessee: William E. Anthony

Pogo Lease No.: L870 001.006
Date: May 3, 1956
Recording Data: Book 147, page 452
Lessor: T. J. Horsley, *et ux.*
Lessee: William E. Anthony

Pogo Lease No.:	L870 001.007
Date:	May 3, 1956
Recording Data:	Book 147, page 444
Lessor:	S. Morse Willis, <i>et ux.</i>
Lessee:	William E. Anthony
Pogo Lease No.:	L870.001.008
Date:	May 3, 1956
Recording Data:	Book 147, page 446
Lessor:	Woodlan P. Saunders, <i>et ux.</i>
Lessee:	William E. Anthony
Pogo Lease No.:	L870.001.009
Date:	May 3, 1956
Recording Data:	Book 147, page 448
Lessor:	Ronald K. DeFord, <i>et ux.</i>
Lessee:	William E. Anthony
Pogo Lease No.:	L870.001.010
Date:	May 19, 1956
Recording Data:	Book 147, page 438 and page 436
Lessor:	Wanda Grace Jones, <i>et al.</i>
Lessee:	William E. Anthony
Pogo Lease No.:	L870.001.012
Date:	June 14, 1956
Recording Data:	Book 147, Page 432
Lessor:	Cities Service Oil Company
Lessee:	William E. Anthony
Pogo Lease No.:	L870.001.013
Date:	February 18, 1957
Recording Data:	Book 156, page 356, as amended by Amendment recorded in Book 156 page 354
Lessor:	Cities Service Oil Company
Lessee:	Vilas P. Sheldon and Dale Resler, dba Resler & Sheldon, a partnership
Pogo Lease No.:	L870 001.014
Date:	November 5, 1956
Recording Data:	Book 147, page 467
Lessor:	Amerada Petroleum Corporation
Lessee:	Vilas P. Sheldon and Dale Resler, dba Resler & Sheldon, a partnership

Pogo Lease No.: L870.001.015
Date: January 15, 1958
Recording Data: Book 131, page 355
Lessor: Amerada Petroleum Corporation
Lessee: Vilas P. Sheldon and Dale Resler, dba Resler & Sheldon, a partnership, *et al.*

CONTRACTUAL AGREEMENTS:

- a) Farmout Agreement dated July 10, 1956 from Dalport Oil Corporation to William E. Anthony.
- b) Agreement dated August 21, 1956 between Resler and Sheldon, Operator, and Eugene E. Nearburg, *et al.*, Non-Operators.
- c) Operating Agreement dated August 29, 1956, as amended, between Resler and Sheldon, Operator, Peerless Oil & Gas Co., Non-Operator, recorded in Book 116, page 312, as amended.
- d) Operating Agreement dated June 14, 1957 between Resler and Sheldon, Operator, and Amerada Petroleum Corporation, Non-Operator, recorded in Book 123, page 146.
- e) Declaration of Pooling dated February 7, 1958, Resler and Sheldon, Operator, recorded in Book 131, page 350.