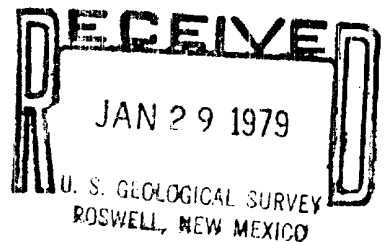


DESIGNATION OF AGENT



Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Geological Survey, Unit Operator under the Ross Draw Unit Agreement, Eddy County, New Mexico, No. 14-08-0001-13810, approved December 21, 1973, and hereby designates:

FLORIDA GAS EXPLORATION COMPANY
Suite 900 Vaughn Building
Midland, Texas 79702

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the Supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing Unit Well No. 7 Ross Draw, in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 26, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico.

It is understood that this designation of agent does not relieve the Unit Operator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the Unit Agreement or any lease committed thereto.

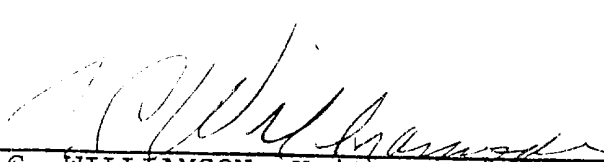
In case of default on the part of the designated agent, the Unit Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The Unit Operator agrees promptly to notify the Oil and Gas Supervisor of any change in the Designated Agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement.

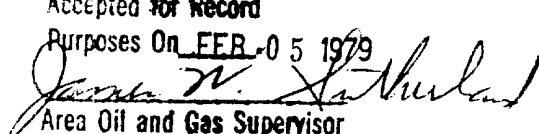
This designation is given only to enable the agent herein designated to drill the above-specified unit well. Unless sooner terminated, this designation shall terminate when there is filed in the appropriate district office of the U.S. Geological Survey a completed file of all required Federal reports pertaining to subject well. It is also understood that this Designation of Agent is limited to field operations and does not cover administrative action requiring specific authorization of the Unit Operator.

Date: 1/25/79


J.C. WILLIAMSON, Unit Operator for the
Development and Operation of the
Ross Draw Unit Area,
Eddy County, New Mexico
P.O. Box 16
Midland, Texas 79702

Accepted for Record

Purposes On FEB 05 1979


Area Oil and Gas Supervisor
U. S. Geological Survey

P. O. Box 26124
Albuquerque, New Mexico 87125

FEB 05 1979

Mr. J. C. Williamson
P. O. Box 16
Midland, Texas 79702

B 14 1979

STALL

Dear Mr. Williamson:

The January 26, 1979 letter submitted by your attorney, Mr. George H. Hunker, Jr., forwarded an original and three copies of "Designation of Agent", whereby J. C. Williamson as unit operator for the Ross Draw unit agreement designates Florida Gas Exploration Company as agent for the drilling of unit well No. 7 Ross Draw.

The designation instruments for unit well No. 7 are hereby accepted for record purposes. Such acceptance, however, does not relieve J. C. Williamson of his responsibility as unit operator to assume operations of any well within the Ross Draw unit area that is determined to qualify for inclusion within a unit participating area.

Sincerely yours,

(ORIG. SGD.) JAMES W. SUTHERLAND

JAMES W. SUTHERLAND
Oil and Gas Supervisor, SRMA

Enclosure

cc:
Florida Gas Exploration Co. (w/enclosure)
Suite 900 Vaughn Building
Midland, Texas 79702

Mr. George H. Hunker, Jr.
P. O. Box 1837
Roswell, New Mexico 88201

District Engineer, Artesia

(noted) J. G. LARA
FEB 14 1979