DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Bureau of Indian Affairs, Navajo Agency, Window Rock, Arizons Jen na pia or Jennie Armstrong, Contract No. 14-20-603-1295

SERIAL NO.:

and hereby designates

December 24, 1964

NAME:

Union Texas Petroleum, a Division of Allied Chemical Corp. Denver U. S. National Bank Building, Denver, Colorado

ADDRESS:

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

> Township 25 North, Range 10 West NMPM Section 2: S/2 NW/4, and Lots 3 and 4

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

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

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

ARROWHEAD EXPLORATION COMPANY

(Signature of lessee) Wellman, Attorney-in-Fact for W. L. McKnight, d/b/a Arrowhead Exp

1200 Mile High Center, Denver 2, Colorado (Address)