

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE: **Santa Fe, New Mexico**
 SERIAL NO.: **SF-080111**

and hereby designates **McConnell Drilling Corporation**

NAME:

ADDRESS:

1110 Tower Petroleum Bldg, Dallas 1, Texas

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 Oil and Gas Operating Regulations with respect to (describe acreage to which this designation is applicable)

Township 27 North, Range 12 West, N. W. P. M.

Section 6: E/2 of SW/4; Lot 6 & 7;

Section 7: NE/4 & SW/4

Section 8: W/2 of SW/4

San Juan County, New Mexico

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 Oil and Gas 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 oil and gas supervisor of any change in the designated operator.

O. J. LILLY

(Signature of lessee)

119 N. Allen, Farmington, New Mexico

(Address)

July 1st 1954

(Date)