

## DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE: Santa Fe, New Mexico  
SERIAL NO.: NM-4454

and hereby designates Lone Star Industries, Inc.  
c/o John E. Schalk  
NAME: P. O. Box 2078  
ADDRESS: Farmington, NM 87401

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):

Lots 1, 2, S/2 NE/4 and SE/4 (E/2) Section 2, Township 30 North,  
Range 5 West, NMPM, containing 318.93 acres, from the surface  
down to and including the base of the Dakota Formation.

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.

OCT 1 1972  
(Date)

B-1  
*Robert K. Telfer*  
Vice President (Signature of lessee)  
Aztec Oil & Gas Company  
2000 First National Bank Bldg.  
Dallas, TX 75202  
(Address)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE\*  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 42-B1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	5. LEASE DESIGNATION AND SERIAL NO. NM - 4454
2. NAME OF OPERATOR JOHN E. SCHALK	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P. O. BOX 2078, FARMINGTON, NEW MEXICO 87401	7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1850' FROM NORTH LINE, 890' FROM EAST LINE SECTION 2, TOWNSHIP 30 NORTH, RANGE 5 WEST	8. FEDERAL NAME FEDERAL CARSON
14. PERMIT NO.	9. WELL NO. 1
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 6590' GR.	10. FIELD AND POOL, OR WILDCAT BASIN DAKOTA
	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 2, T-30N, R-5W N.M.P.M.
	12. COUNTY OR PARISH RIO ARRIBA
	13. STATE NEW MEXICO

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>	WATER SHUT-OFF	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	(Other) CHANGE OPERATOR & WELL NAME	<input type="checkbox"/>
(Other)	<input type="checkbox"/>	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

NO. 2 CHANGE DESIGNATION OF OPERATOR:

FROM: JOHN E. SCHALK  
P. O. BOX 2078  
FARMINGTON, NEW MEXICO 87401

TO: LONE STAR INDUSTRIES, INC.  
C/O JOHN E. SCHALK  
P. O. BOX 2078  
FARMINGTON, NEW MEXICO 87401

NO. 8 CHANGE WELL NAME:

FROM: FEDERAL CARSON  
TO: LONE STAR INDUSTRIES-SCHALK-54

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE

DATE 9-4-73

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

