

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-4455

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 5, 6, 7 and 8, S/2 N/2, NE/4 SW/4, and NW/4 SE/4
Section 3, Township 30 North, Range 5 West, NMPM, containing 397.60 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.

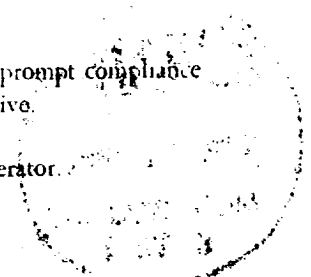
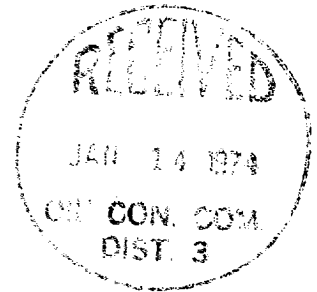
In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

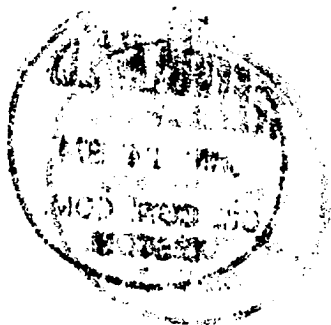
The lessee agrees promptly to notify the supervisor of any change in the designated operator.

Robert K. Taffin
By *Robert K. Taffin* (Signature of Lessee)
Aztec Oil & Gas Company
2000 First National Bank Bldg.
Dallas, TX 75202
(Address)

OCT 1 1973

(Date)





UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

NM - 4455

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

SCHALK - 55

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

BASIN DAKOTA

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

SEC. 3, T-30N, R-5W

12. COUNTY OR PARISH 13. STATE

RIO ARRIBA NEW MEXICO

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 ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

LONE STAR INDUSTRIES, INC. (C/O JOHN E. SCHALK)

3. ADDRESS OF OPERATOR

P.O. BOX 2078, FARMINGTON, NEW MEXICO 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

1130' FROM THE NORTH LINE, 1180' FROM THE EAST LINE
SECTION 3, TOWNSHIP 30 NORTH, RANGE 5 WEST

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

6486' GR

16.

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

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

CHANGE FARM OR LEASE NAME

(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.)*

#8 CHANGE FARM OR LEASE NAME:

FROM: LONE STAR INDUSTRIES - SCHALK - 55

TO: SCHALK - 55

*Also: operator Change
From John E. Schalk*

WELL NAME SHOULD BE: SCHALK - 55 WELL NO. 1

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

SIGNED

TITLE AGENT

DATE 11-30-73

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY: