

JAN 24 2001 12:20 FROM PHILLIPS PETROLEUM
SAN JUAN 30-6 2T
35A
8-24-30N-6W
30-039-26513



PHILLIPS PETROLEUM COMPANY

San Juan Area

5525 Hwy 64

Farmington, NM 87401

Fax No.: (505) 599-3442

Total Pages (Including Cover Sheet) _____

Date: 1/24/01

To: Lorathy
Company: OCD
Fax No.: 334-6170

From: Patsy Clagett
Phone: 599-3454

Message:

oper. Chge to Burlington Res 0+6
on this New well



DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Minerals Management Service, Unit Operator, hereafter referred to as "Operator", under the San Juan 30-6 Unit Agreement, Rio Arriba County, New Mexico No. 1 Sec. No.: 14-08-001-538 approved April 30, 1953 and hereby designates:

NAME: Phillips Petroleum Company
ADDRESS: 5525 Highway 64
Farmington, New Mexico 87401

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 the unitized substances to a depth covering the top to the base of the Mesaverde formation for the following well:

San Juan 30-6 Unit #35A

E/2 Sec. 24-T30N-R6W

Mesaverde

It is understood that this Designation of Agent does not relieve the 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 Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representatives.

The 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 of Agent is limited to field operations only and does not cover administrative action which shall require the specific authorization of the Operator. **This Designation of Agent shall be effective until the San Juan 30-6 Unit Well #35A has been drilled and completed and connected to the gas sales pipeline, but in no event later than December 31, 2000, Phillips Petroleum Company shall give Operator thirty (30) days written notice prior to connecting said well to the gas sales pipeline.**

Operator will assume operatorship upon termination of this Designation of Agent.

This Designation of Agent is also subject to the terms and conditions contained in Exhibit "A" attached hereto.

Burlington Resources Oil & Gas Company
Operator

6/19/00
Date

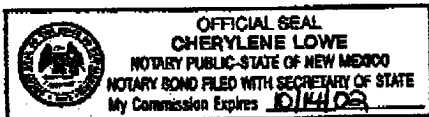
By John F. Zent WAY
Attorney-in-Fact

STATE OF NEW MEXICO:

COUNTY OF SAN JUAN:

Before me Cherylene Lowe, a Notary Public in and for said county and state, on this day personally appeared John F. Zent, Attorney-in-fact of Burlington Resources Oil & Gas Company, a corporation, known to me to be the person whose name is subscribed on the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 19th day of June, 2000.



Cherylene Lowe
NOTARY PUBLIC

EXHIBIT "A"

DESIGNATION OF AGENT

Phillips Petroleum Company ("Agent") indicates its acceptance of this Designation of Agent by placing its authorized signature in the space provided below and agrees to drill and complete or plug and abandon said San Juan 30-6 Unit Well #35A as a reasonable and prudent operator in accordance with the terms and conditions of the San Juan 30-6 Unit Agreement and the San Juan 30-6 Unit Operating Agreement, and also agrees to the following conditions. Agent shall:

1. Submit to Operator's representative for approval all casing programs and equipment specifications prior to the drilling of any well.
2. Notify Operator when drilling Operations are commenced.
3. Furnish Operator with complete daily driller's tour report, at Agent's expense.
4. Furnish Operator with daily reports by telephone call or facsimile at Agent's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
5. Allow representatives of Operator access to the derrick floor at all times at their sole risk and expense.
6. Notify Operator of intentions to core, drill stem test, stimulate, or run well surveys in sufficient time to enable Operator's representatives to be present, and also notify Operator in sufficient time in order that Operator may attend and witness any and all potential tests and packer leakage test.
7. Cause all cores having shows of oil and gas to be analyzed by a competent core analysis laboratory. Three preliminary and three final copies of any conventional core analysis will be furnished to Operator. Any special core analysis performed at the request of Agent will be considered proprietary information and will be paid for solely by Agent.
8. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of wells.
9. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of wells.
10. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the wells.
11. Notify of any intention to plug and abandon wells and allow Operator forty-eight (48) hours in which to concur.
12. Furnish the Bureau of Land Management and the Oil Conservation Division of the State of New Mexico all proper and necessary reports and well data in the required numbers and time periods as specified by the Bureau of Land Management and the Oil Conservation Commission of the State of New Mexico, with a copy to Operator at the addresses hereinafter provided.

13. Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.
14. Comply with all regulations of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) as such may be amended from time to time, and pay any costs, fees, and claims including attorneys fees and penalties imposed because of Agent's failure to comply with FOGRMA regulations.

Agent agrees to indemnify and defend Operator and all of Operator's affiliated and subsidiary companies and the agents, servants and employees of Operator and all of its affiliated and subsidiary companies and to save and hold them harmless from and against any and all claims or liability (including court costs and attorney fees) for damage or loss of property of all character, from and against any and all claims for death, or injury to persons, including, but not limited to, employees or agents of Agent resulting from or arising out of the operations conducted or caused or permitted to be conducted by Agent in connection with the wells described hereinabove; and from and against any and all claims for labor and materials and any other costs and expense in connection with Agent's operations hereunder.

Such indemnity by Agent shall apply to any loss or damage or personal injury or death:

- (i) which arises directly, indirectly or incident to the Agent's operation;
- (ii) without regard to cause or causes thereof, including, without limitation, strict liability, breach of warranty (express or implied), imperfection of materials, condition of any premises or transport to or from such premises;
- (iii) whether the claim therefore is based on common law, civil law or statute.

However, such indemnity by Agent shall not apply and may not be relied upon by Operator to the extent that any claim or liability is found by a court or other tribunal of competent jurisdiction to have been caused by the gross negligence or willful misconduct of Operator.

All notices, samples or other information required to be furnished shall be sent to:

Burlington Resources Oil & Gas Company
Attn: David Valdez
P. O. Box 4289
Farmington, New Mexico 87499-4289
Telephone (505) 326-9520
Fax No. (505) 599-4075

Phillips Petroleum Company

June 13, 2000
Date

By: W.D. Jaap

W.D. Jaap
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF NEW MEXICO:

COUNTY OF SAN JUAN:

The foregoing instrument was acknowledged before me this 15th day of June, 2000 by W. D. Jaap, as Attorney-in-Fact of Phillips Petroleum Company, a Delaware corporation on behalf of the corporation.

Gillian Armenta

Notary Public

My Commission Expires:

10/2/2003

