

Authority for Expenditure

Well Name 2R-Federal Loc. SW/4 Sec. 12, T28N R15W Co. San Juan State N.M.

Estimated T.D. 6150' Field or Prospect Basin Dakota Formation Dakota

	Estimated		Actual
	Dry Hole	Producer	
<u>Intangible Costs</u>			
Supervision	5,000	7,000	
Location: Damages and R.O.W.			
Roads and Canals Surveyor, Abstract, Title Opin.	5,000	5,000	
Location and Platforms	5,000	5,000	
Drilling:			
Footage Drilling 300 ft. @ 9.50 /ft.	59,850	59,850	
Daywork:			
Drilling - days @ - WDP - days @ - WODP -	incl. above	incl. above	
Completing 4 days @ 3,000 WDP days @ WODP		12,000	
Mud Materials and Special Equipment	9,000	9,000	
Fuel			
Water	5,000	6,000	
Hauling and Transportation	1,000	2,000	
Cement, Cementing, and Accessories	3,000	12,000	
Logging	9,000	9,000	
Coring and Core Analysis	-	-	
Testing	-	-	
Perforating	-	7,500	
Stimulation		25,000	
Special Services Casing Crew		2,500	
Tool Rental			
Miscellaneous	2,000	4,000	
Total Intangible Costs	103,850.	165,850.	
<u>Tangible Well Costs</u>			
Wellhead Misc.		16,000	
Casing: & tubing		45,000	
Tubing:			
Artificial Lift Equipment			
Miscellaneous Well Equipment			
Total Tangible Well Costs		61,000.	
<u>Tangible Lease Costs</u>			
Tankage		4,000	
Separating and Treating:		4,100	
Flowlines		900	
Structures and Buildings			
Measuring Equipment			
Special Equipment			
Miscellaneous Valves and Fittings			
Transportation, Installation and Labor		5,000	
Total Tangible Lease Costs		14,000.	
Total Well Costs	103,850.	240,850.	

Ownership Division:

Amoco Production Co.	20 %	48,170.
Curtis J. Little	80 %	192,680.

	Joint Interest Approval
	COMPANY _____
	By _____
	Date _____ 19____

DESIGNATION OF AGENT

This indenture dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 1979, by and between AMOCO Production Company, a Delaware corporation, whose address is Security Life Building, Denver, Colorado 80202, and CURTIS J. LITTLE, an individual, whose address is P. O. Box 2487, Farmington, New Mexico 87401;

W I T N E S S E T H:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C., Secs. 181 et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Acting Secretary of the Interior on the 25th day of July 1951 approved the Unit Agreement for the Development and Operation of the Gallegos Canyon Unit Area dated November 1, 1950, I-Sec. No. 844, and the Commissioner of Public Lands of the State of New Mexico on April 24, 1951, consented to and approved said Unit Agreement by authority of Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, and the State of New Mexico Oil Conservation Commission on April 4, 1951, approved said Unit Agreement by authority of Act of the Legislature (Chapter 72, Laws 1935), wherein Earl A. Benson and William V. Montin were designated as Unit Operator; and

WHEREAS, Earl A. Benson and William V. Montin have resigned as such Operator and, in accordance with the terms of the Gallegos Canyon Unit Agreement, Stanolind Oil and Gas Company, now AMOCO Production Company, was appointed and has accepted and assumed the duties of the successor Unit Operator; and

WHEREAS, AMOCO Production Company now desires to appoint CURTIS J. LITTLE as Agent, and CURTIS J. LITTLE desires to accept and assume the duties of Agent, as set forth below.

NOW, THEREFORE, it is mutually agreed as follows: .

1. AMOCO Production Company, as Unit Operator of the Callegos Canyon Unit Agreement, hereby designates Curtis J. Little as Agent to drill, test, complete, operate and/or plug and abandon a Dakota Formation well in the following described portion of the Unit area:



Township 28 North, Range 13 West, N.M.P.M.  
Section 12: Lot 4, SW/4 SW/4  
containing 68.92 acres, more or less

2. AMOCO Production Company hereby covenants and agrees to comply or secure compliances with all obligations of the Unit Agreement with respect to the above described portion of the Unit area and to file all applications required or necessitated by the terms of such Agreement.

3. It is specifically understood that this Designation of Agent does not relieve AMOCO Production Company of its responsibilities as Unit Operator of the Gallegos Canyon Unit Area.

4. It is further understood and agreed that AMOCO Production Company, as Unit Operator of the Gallegos Canyon Unit area, may, at its option, revoke this Designation of Agent by giving written notice of such revocation to Curtis J. Little, the Commissioner of Public Lands of the State of New Mexico, and the Regional Oil and Gas Supervisor, United States Geological Survey.

IN WITNESS WHEREOF, this instrument is executed by the parties hereto as of the date hereinabove set forth.

AMOCO PRODUCTION COMPANY

By \_\_\_\_\_

CURTIS J. LITTLE



