

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 87901  
SERIAL NO.: USA NM-0282501-A

and hereby designates

NAME: Read & Stevens, Inc.  
ADDRESS: P. O. Box 2126

Roswell, New Mexico 88201  
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 secure written or oral instructions in securing compliance with the operating regulations with respect to (describe acreage to which this designation is applicable):

Township 15 South, Range 29 East, NMPM  
Section 26: SW $\frac{1}{4}$   
Section 35: NW $\frac{1}{4}$

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 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.

UNITED STATES SMELTING REFINING AND MINING  
COMPANY

By J. V. Neuman, Jr.  
J. V. Neuman, Jr., Vice President of Mining  
and Oil Operations

19th Floor University Club Bldg.  
Salt Lake City, Utah 84111

September 28, 1971  
(Date)