

RECEIVED

DESIGNATION OF OPERATOR

OCT 07 '88

O. C. D.
ARTESIA, OFFICE

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

DISTRICT LAND OFFICE: Santa Fe
SERIAL NO.: NM 025527(a)

and hereby designates

NAME: Marbob Energy Corporation
ADDRESS: P. O. Drawer 217
Artesia, New Mexico 88211-0217

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):

Township 17 South, Range 27 East, N.M.P.M.

Township 17 South, Range 27 East, N.M.P.M.

Section 21: N/2 SE/4

Section 22: N/2, N/2 SW/4, SE/4 SW/4, SE/4

Section 23: NW/4, N/2 SW/4

Section 24: NE/4, SW/4 NW/4, SW/4, SW/4
SE/4

containing 1,320 acres, more or less,

Only from the surface down to 3,000 feet
below the surface;

Section 23: S/2 SW/4

containing 80 acres, more or less,

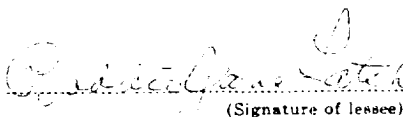
Only from the surface down to 700 feet
below the surface,

Eddy County, New Mexico

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.


(Signature of lessee)

Robbie Jane Latch, a widow, Individually and as
Ancillary Personal Representative and Trustee under the
Will of Leonard Latch, Deceased, d/b/a Latch Operations

(Address) P. O. Box 10108

Lubbock, Texas 79408