NMOCC COPY

it in triplicate to appropriate il and Gas or Mining Su

COPY TO BIM DATE 4-7-12

## DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE:

New Mexico

SERIAL NO.:

N M 7752

and hereby designates

NAME:

Derchester Exploration, Inc. and J. Cocil Rhodes

ADDRESS:

1204 Vaughn Building

822 Bldg. of the Se

Midland, Texas 79701 Midland, Texas

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):

All of the E/2 SW/4 & SE/4 Sec. 7, and NW/4 NW/4 Sec. 8, T-17-S, R-30-E, N. M. P. M., Eddy County, New Mexico, below a depth of 5000', containing 280 acres, more or less.

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It is understood that this designation of operator does not relieve the lessee of responsability See 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.

822 Bldg. of the Southwest 7**97**01

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(Address)

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