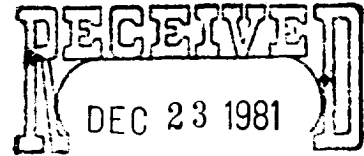


DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE:

SERIAL NO.: *7611-04696*



and hereby designates

NAME: *Ray Westall*

ADDRESS: *Lacon Hills, New Mexico*

OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

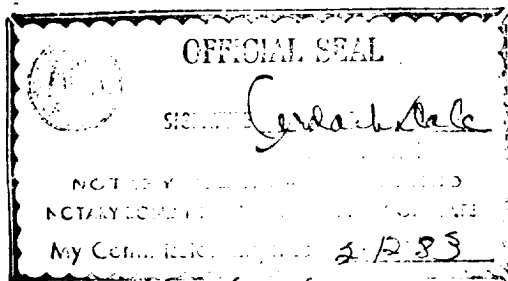
as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

*Township 11 South
Range 31 East
New Mexico Section 1 west half Southwest half
SE Quarter and SW Quarter
Down to depth of 7500 feet below the surface*

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.



James R. [illegible]
(Date)

Harriet Palmer
(Signature of lessee)

Crown by Charles Gordon, Santa Fe, N.M.
(Address) *S.p. 12. 37501*

ILLEGIBLE