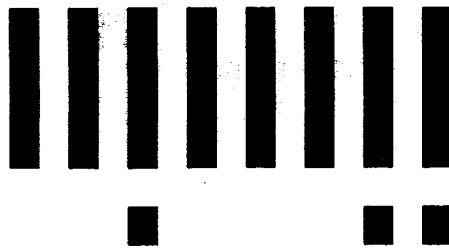


HONDO Oil & Gas Company
 Division of Atlantic Richfield Co.
 Blow Out Preventer Program

Lease Name: Mann Federal
 Well No: 1
 Location: 1880' FNL & 2130' FWL
Sec 9-18S-27E, Eddy County

BOP to be tested when installed on well
 and will be maintained in good working
 condition during drilling. All wellhead
 fittings to be of sufficient pressure to
 operate in a safe manner.



LTR



Job separation sheet

DESIGNATION OF OPERATOR HD-NM-3588

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

DISTRICT LAND OFFICE: Santa Fe, New Mexico

SERIAL No.: NM-031186

and hereby designates

NAME: Hondo Oil & Gas Company
ADDRESS: P. O. Box 1610, Midland, Texas 79702

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):

T-18-S, R-27-E, Eddy County, New Mexico

Section 9: NW/4

containing 160 acres, more or less, and
limited to depths from the base of the Abo formation
to the base of the Morrow formation.

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.

EXXON CORPORATION

By: J. A. Vance

(Signature of lessee)

J. A. Vance, Attorney in Fact

P. O. Box 1600, Midland, Texas 79702

(Address)

5/11/85
(Date)

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Power of Attorney for J. A. Vance is on file in the Eastern States Office of the BLM at Alexandria, Virginia, File No.: 066100.