

## DESIGNATION OF OPERATOR

RECEIVED BY

AUG 12 1985

O. C. D.

ARTESIA, OFFICE

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

DISTRICT LAND OFFICE: Roswell, New Mexico

SERIAL NO.: NM-13237

and hereby designates

NAME: Hanley Petroleum Inc.

ADDRESS: 1500 Wilco Building, Midland, Texas 79701

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-19-S, R-29-E, N.M.P.M., Eddy County

Section 31: S/2

Containing 304.80 acres, more or less.

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.

MARATHON OIL COMPANY

By:

*Thomas E. Fanning*

(Signature of lessee)

Thomas E. Fanning, Attorney-in-Fact

June 17, 1985

(Date)

P. O. Box 3128, Houston, TX 77253

(Address)