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DESIGNATION OF AGENT

JUN 11 1969

Supervisor, Oil and Gas Operations:

O. C. C.
ARTESIA, OFFICE

The undersigned is, on the records of the Geological Survey, Unit Operator under the James Ranch Unit Agreement, Eddy County, New Mexico (state), No. 14-08-001-558 approved June 16, 1963 and hereby designates:

NAME: Belco Petroleum Corporation

ADDRESS: Post Office Box 19234
Houston, Texas 77024

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto, and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing Unit Well No. 3, in the NW 1/4 SE 1/4 Sec. 1, T-23S, R-30E, N.M.P.M. Eddy County, New Mexico.

It is understood that this Designation of Agent does not relieve the Unit Operator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the Unit Agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Unit Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The Unit Operator agrees promptly to notify the Oil and Gas Supervisor of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement.

This Designation is given only to enable the agent herein designated to drill the above specified Unit Well. Unless sooner terminated, this Designation shall terminate when there is filed in the appropriate district office of the U. S. Geological Survey a completed file of all required Federal reports pertaining to subject well. It is also understood that this Designation of Agent is limited to field operations and does not cover administrative action requiring specific authorization of the Unit Operator.

PERRY R. BASS

Unit Operator

June 3, 1969

Date

By

Perry R. Bass