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JUL 17 1974

DESIGNATION OF OPERATOR

O. C. C.
ARTESIA, OFFICE

The undersigned is, on the records of the Commissioner of Public Lands for the State of New Mexico, holder of State of New Mexico Lease Number K-6600, and hereby designates

Mesa Petroleum Co.
904 Gihls Tower West
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 State of New Mexico or its representative may serve written or oral instructions in securing compliance with applicable State Regulations with respect to the following described acreage:

T-23-S, R-29-E, N.M.P.M., Eddy County, New Mexico

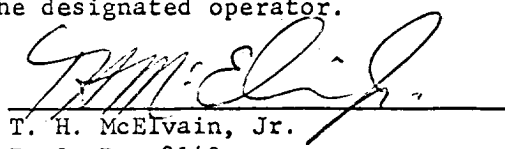
Section 12: SE/4 SE/4
Section 13: E/2 NE/4

containing 120 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 applicable State 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 State of New Mexico or its representatives.

The lessee agrees to promptly notify the Oil Conservation Commission of the State of New Mexico and the Commissioner of Public Lands of the State of New Mexico of any change in the designated operator.


T. H. McElvain, Jr.
P. O. Box 2148
Santa Fe, New Mexico 87501

- (2) Oil Conservation Commission
- (2) Commissioner of Public Lands