

DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE: Roswell, New Mexico
SERIAL NO.: LC-064200

and hereby designates

NAME: Union Texas Petroleum Corporation
ADDRESS: 4000 North Big Spring, Suite 500
Midland, Texas 79705

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-24-South, Range-26-East, N.M.P.M.
Eddy County, New Mexico

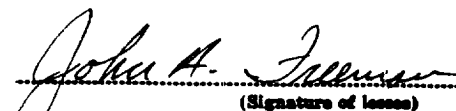
Section 15: Northwest Quarter Southwest Quarter (NW/4SW/4)

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.

ENSTAR PETROLEUM COMPANY, A DIVISION
OF ENSTAR CORPORATION


(Signature of lessee)

John A. Freeman
Authorized Representative

10-19-84
(Date)

4000 North Big Spring, Suite 500
(Address)
Midland, Texas 79705