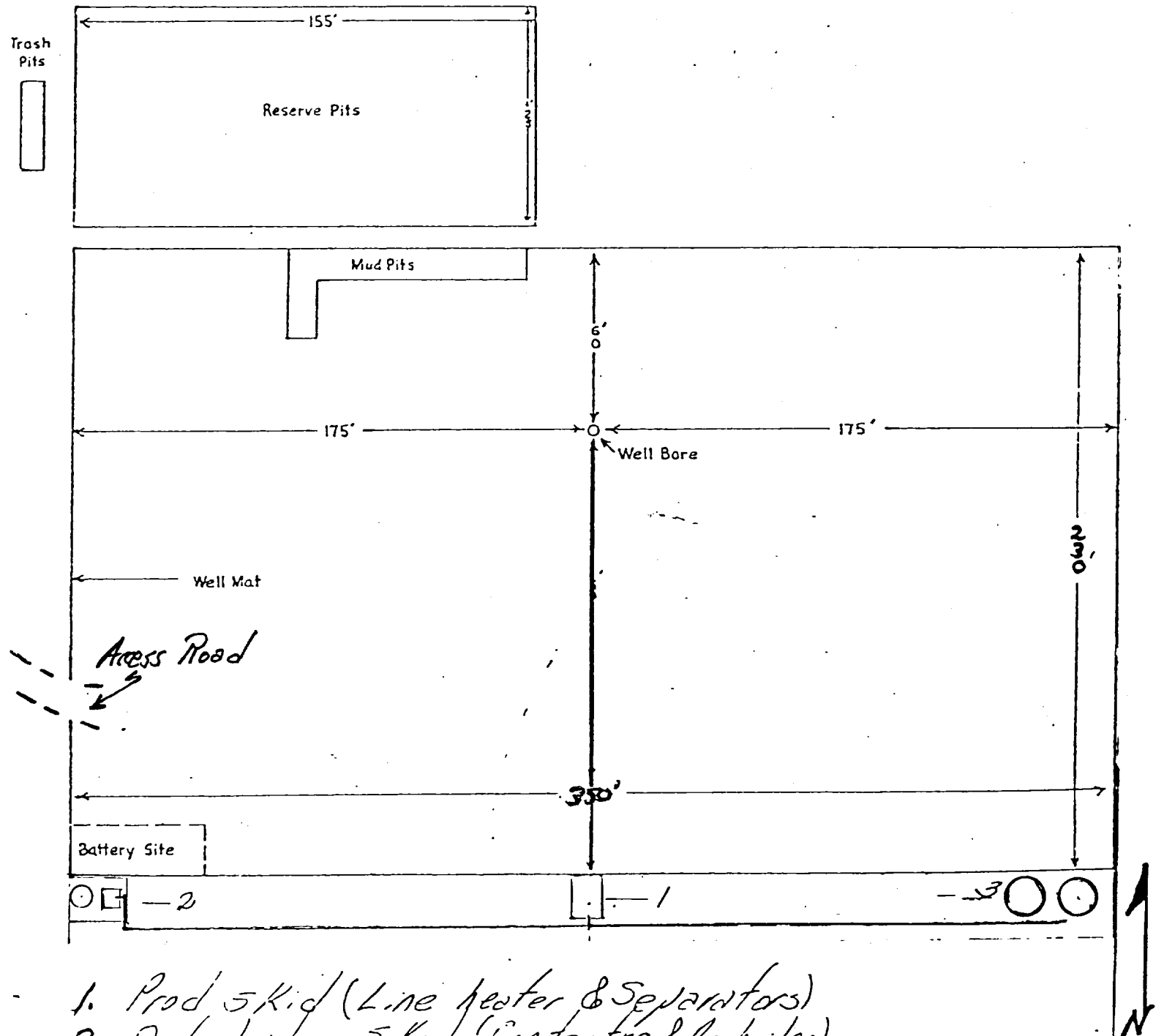


James Ranch 10



1. Prod 5 Kid (Line heater & Separators)
2. Dehydrator 5 Kid (Contact & Reboiler)
3. Tanks

Belco Petroleum Corp
 Prepared
 James Ranch Unit 10
 Exhibit E

DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE: Hobbs, New Mexico
SERIAL No.: NM-02884-B

and hereby designates

NAME: Belco Petroleum Corporation
ADDRESS: 10,000 Old Katy Road, Suite 100
Houston, Texas 77055

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 23S, Range 30E

Section 1: E/2

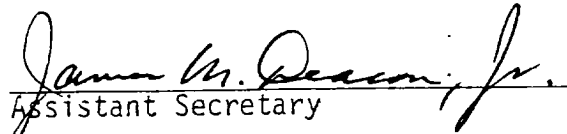
It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

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.

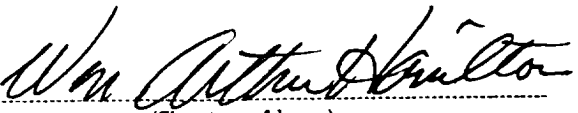
ATTEST:

BASS ENTERPRISES PRODUCTION CO.

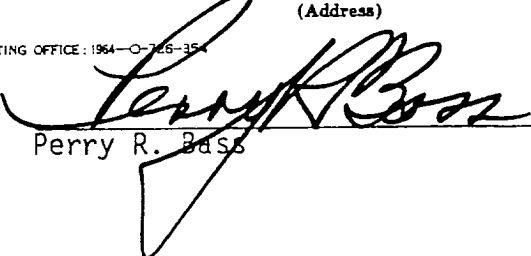

Assistant Secretary

July 19, 1979

(Date)

By: 
(Signature of lessee)
Wm. Arthur Hamilton - Vice President
3100 Fort Worth National Bank Building
Fort Worth, Texas 76102
(Address)

U.S. GOVERNMENT PRINTING OFFICE: 1964-O-725-354


Perry R. Bass

(Submit in Quadruplicate)

SUPERVISOR, OIL AND GAS OPERATIONS:

DESIGNATION OF AGENT

The undersigned is, on the records of the Geological Survey, unit operator under the James Ranch unit agreement, dated April 22, 1953 No. 14-08-001-588, approved _____

and hereby designates

NAME: Belco Petroleum Corporation
ADDRESS: 10,000 Old Katy Road, Suite 100
Houston, Texas 77055

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. 10 in the E/2 Sec. 1, T 23S -R 30E, 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 the 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.

And finally, it is understood that the unit operator will take over the operation of any well drilled under the designation in the event unitized production is obtained in paying quantities.

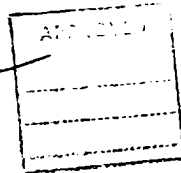
ATTEST:

BASS ENTERPRISES PRODUCTION CO.

James M. Deane Jr.
Assistant Secretary

By Wm. Arthur Hamilton
Unit Operator
Wm. Arthur Hamilton - Vice President

Perry R. Bass
Unit Operator
Perry R. Bass



- CASE 6645: Application of Depco Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Apache Springs Unit Area, comprising 31,199 acres, more or less, of State, federal, and fee lands in Townships 10, 11, and 12 South, Ranges 30 and 31 East.
- CASE 6646: Application of Belco Petroleum Corporation for approval of infill drilling and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its James Ranch Unit Well No. 10 to be located in Unit H of Section 1, Township 23 South, Range 30 East, Morrow formation, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6646
Order No. R-6130

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR APPROVAL OF INFILL
DRILLING AND SIMULTANEOUS DEDICATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 5, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of October, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Belco Petroleum Corporation, seeks a finding that the drilling of a well to be located in Unit H of Section 1, Township 23 South, Range 30 East, NMPM, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by the existing well.

(3) That the applicant further seeks approval of a waiver of existing well-spacing requirements and simultaneous dedication.

(4) That the standard spacing unit in the Los Medanos-Morrow Gas Pool is 320 acres.

(5) That Belco Petroleum Corporation is the operator of a 320-acre standard proration unit consisting of the E/2 of said Section 1 in the Los Medanos-Morrow Gas Pool.

(6) That said 320-acre proration unit is dedicated to applicant's James Ranch Unit Well No. 3 located in Unit J of said Section 1.

(7) That the evidence presented demonstrated that said James Ranch Unit Well No. 3 cannot effectively and efficiently drain said 320-acre proration unit.

(8) That the evidence presented further demonstrated that the drilling and completion of applicant's said new well should result in production in excess of 1 billion additional cubic feet of gas from said proration unit which would not otherwise be recovered from the proration unit.

(9) That such additional recovery will result in said unit being more efficiently and economically drained.

(10) That said new well is to be drilled as an "infill" well on the existing 320-acre standard proration unit.

(11) That in order to permit the drainage of a portion of the reservoir covered by said 320-acre standard proration unit which cannot be effectively and efficiently drained by the existing well thereon, the subject application for infill drilling and simultaneous dedication should be approved as an exception to the standard well spacing requirements for said Los Medanos-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, Belco Petroleum Corporation, is hereby authorized to drill a well to be located in Unit H of Section 1, Township 23 South, Range 30 East, NMPM, as an infill well on an existing 320-acre standard proration unit being the E/2 of said Section 1, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by the existing 320-acre proration unit which cannot efficiently and economically be drained by any existing well thereon.

(2) That said proration unit shall be simultaneously dedicated to applicant's proposed new well and to its James Ranch Unit Well No. 3 located in Unit J of said Section 1.

-3-

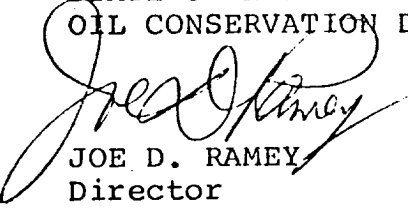
Case No. 6646

Order No. R-6150

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

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