## DEVELOPMENT CO

Incorporated

P.O. BOX 189 • FORT WORTH, TEXAS

Reply to: 234 Petroleum Club Plaza, Farmington, New Mexico

May 13, 1965

Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico

Gentlemen:

Enclosed are duly executed and notarized copies of Designation of Sub-Operators for the following townships:

Township 28 N., Range 6 W., Section 10 Township 29 N., Range 6 W., Section 11

Yours very truly,

BETA DEVELOPMENT CO.

John T. Hampton Manager

JTH ms Encl.



# El Paso Natural Gas Company El Paso, Texas

May 6, 1965

Bota Bovolopment Company 234 Potroloum Club Plana Farmington, Nov Mexico

Attention: Mr. John P. Hampton

Contlonen:

Attached are eight copies of a Besignation of Sub-Operator for the drilling of a Behota well in Section 10, T-S0-H, N-6-W. After this instrument has been executed, it will be necessary that you file three eggies with the United States Geological Survey, one copy with the Oil Conservation Commission, and two copies with the Commissioner of Public Lands. Please return one fully executed Sopy to El Paso Entural Gas Company.

We wish to point out that the well to be drilled under this Besignation must be completed in a manner satisfactory with the Gil Conservation Gussission and the United States Geological Survey before Il Pase Natural Cas Company will be able to take over operation of the well as Unit Operator of the San Juan 28-6 Unit.

In addition, we wish to advise that the three per cent State tax payable by the drilling contractor will not be considered as a parties of the drilling costs. Therefore, this assumt will be deleted from the total assumt indicated on the Authority for Expunditure submitted by Bota at such time as costs adjustments are made.

Very truly years, Original Signed by HARRY GEVERTZ Heary Goverts Regional Landson Land Department

Mills;jm Attachments

ce: United States Coolegical Survey Cil Conservation Counissies, State of New Mexico Counissience of Public Lands, State of New Mexico MAY 1 4 1965 OIL CON. COM. DIST. 3

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্তিকালী কোনো বাং জালাবাহি বাং উপুনি জন্তা জন্তা কৰা স্থা প্ৰত্যা কৰা নুধাৰ কোনা কৰা হৈ । আন সভা বাং জালাবাহি বাং জালাবা

with a contract great

Original Signed by HARRY SEVERT CONTROL OF C

STATESTANDS



#### DESIGNATION OF SUB-OPERATOR

THIS DESIGNATION is made and entered into this day of the day of t

WHEREAS, Operator is Unit Operator for the San Juan 29-6 Unit,

WHEREAS, Sub-Operator desires to drill a Dakota well on the following described land pursuant to the provisions of Section thirteen (13) of the San Juan 29-6 Unit Agreement:

Township 29 North, ---- 6 West, N.M.P.M. Section 11: 8/2 Containing 320.00 acres, more or less Rie Arriba County, New Mexico

WHEREAS, the above described land is committed to the terms and conditions of the San Juan 29-6 Unit Agreement and San Juan 29-6 Unit Operating Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Dakota well as Unit Operator under the terms of the San Juan 29-6 Unit Agreement; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Dakota well may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit Beta Development Company to drill the above described Dakota well, El Paso Natural Gas Company, as Unit Operator of the San Juan 29-6 Unit, hereby designates Beta Development Company as Sub-Operator for the sole and only purpose of drilling the said Dakota well on the above described land pursuant to Section thirteen (13) of the San Juan 29-6 Unit Agreement.

Sub-Operator indicates its acceptance of this Designation by placing its signature in the space provided below and agrees to drill, complete and/or plug and abandon said Dakota well as a reasonable and prudent operator in accordance with the terms and conditions of the San Juan 29-6 Unit Agreement and the San Juan 29-6 Unit Operating Agreement and also agrees to the following condi-

- Unit Operator's representative shall approve all casing programs and equipment specifications prior to the drilling of any well.
- 2. Notify Operator when drilling operations are commenced.
- 3. Furnish Operator with complete daily driller's tour report, at Sub-Operator's expense.
- 4. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
- 5. Allow representatives of Operator access to the derrick floor at all times.
- 6. Notify Operator of intentions to core, drill stem test or run well surveys in sufficient time to enable Operator's representatives to be present.
- 7. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
- 8. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
- 9. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of the well.
- 10. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys, including a geophysical velocity survey as it may desire.
- 11. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
- 12. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
- 13. Notify Operator of any intention to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
- 14. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following insurance:
  - a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
  - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
  - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident. Property Damage Insurance with

- 15. Furnish the United States Geological Survey and the Oil Conservation Commission of the State of New Mexico all proper and necessary reports and well data in the required numbers and time periods as specified by the United States Geological Survey and the Oil Conservation Commission of the State of New Mexico, with a copy to Operator at the addresses hereinafter provided.
- 16. Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company Post Office Box 1492 El Paso, Texas Attention: Land Department

With copies to: El Paso Natural Gas Company Post Office Box 990 Farmington, New Mexico Attention: Area Exploration Manager

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Dakota well pursuant to the provisions of the San Juan 29-6 Unit Operating Agreement

The drilling of the said Dakota well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said Dakota test is completed and/or plugged and abandoned, whichever is the sooner.

THIS DESIGNATION is personal and cannot be assigned in whole or in part

IN WITNESS WHEREOF, this Design	gnation is executed as of the day and year
first hereinabove written.	
	OPERATOR
	EL PASO NATURAL GAS COMPANY
	By Attorney in Fact
	SUB-OPERATOR
	BETA DEVELOPMENT COMPANY
	By Attorney in Fact
	/ Actorney in 1200 /
TATE OF TEXAS )	
COUNTY OF EL PASO )	
The foregoing instrument was a second of the	Acknowledged before me this 6 day of Attorney in Fact for EL PASO NATURAL GAS alf of said corporation
Committee of the second of the second	
	Notary Public
ly commission expires June 1, 1965.	ELCISE BUSSE
STATE OF TEXAS	Notary Public In and for El Paso County, Texas  My Commission Expires June 1, 1365
COUNTY OF LEW SLEET	
the foregoing instrument was a lay of, 1965, by	acknowledged before me this Ac
ion.	X 5 0

My commission expires:

My Legalssion expires September 11, 1965

### DESIGNATION OF SUB-OPERATOR

THIS DESIGNATION is made and entered into this 26th day of Agril , 1965, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is Post Office Box 1492, El Paso, Texas 79999, hereinafter sometimes referred to as "Operator", and BETA DEVELOPMENT COMPANY, a Texas corporation, whose address is Post Office Box 189, Fort Worth, Texas, hereinafter sometimes referred to as "Sub-Operator";

WHEREAS, Operator, is Unit Operator for the San Juan 28-6 Unit, No. 14-08-001-1051, Rio Arriba County, New Mexico; and

WHEREAS, Sub-Operator desires to drill a Dakota well on the following-described land pursuant to the provisions of Section thirteen (13) of the San Juan 28-6 Unit Agreement:

## Township 28 North, Range 6 West, N.M.P.M. Section 10: All

WHEREAS, the above-described land is committed to the terms and conditions of the San Juan 28-6 Unit Agreement and San Juan 28-6 Unit Operating Agreement; and

WHEREAS, Sub-Operator has been furnished Notice of Operator's election not to drill the said Dakota well as Unit Operator under the terms of the San Juan 28-6 Unit Agreement; and

WHEREAS, Sub-Operator has requested that Operator execute this Designation in order that said Dakota well may be drilled by Sub-Operator.

NOW, THEREFORE, in order to permit Beta Development Company to drill the above-described Dakota well, El Paso Natural Gas Company, as Unit Operator of the San Juan 28-6 Unit, hereby designates Beta Development Company as Sub-Operator for the sole and only purpose of drilling the said Dakota well on the above-described land pursuant to Section thirteen (13) of the San Juan 28-6 Unit Agreement.

Sub-Operator indicates its acceptance of this Designation by placing its signature in the space provided below and agrees to drill, complete and/or plug and abandon said Dakota well as a reasonable and prudent operator in accordance with the terms and conditions of the San Juan 28-6 Unit Agreement and the San Juan 28-6 Unit Operating Agreement, and also agrees to the following conditions:

- Unit Operator's representative shall approve all casing programs and equipment specifications prior to the drilling of any well.
- 2. Notify Operator when drilling operations are commenced.
- 3. Furnish Operator with complete daily driller's tour report, at Sub-Operator's evpense.

- 4. Furnish Operator with daily reports by telephone call or telegram at Sub-Operator's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
- 5. Allow representatives of Operator access to the derrick floor at all times.
- 6. Notify Operator of intentions to core, drill stem test or run well surveys in sufficient time to enable Operator's representatives to be present.
- 7. Adequately test and/or core all possible productive formations to the satisfaction of Operator upon request.
- 8. Have any core having shows of oil or gas analyzed by a competent core analysis laboratory, and have such laboratory send three preliminary copies and three final copies of the analysis report to Operator.
- 9. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of the well.
- 10. Permit Operator, at its cost and for its sole use, including full rig time, to make any additional surveys, including a geophysical velocity survey as it may desire.
- 11. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of a well.
- 12. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the well.
- 13. Notify Operator of any intention to plug and abandon the well and allow Operator forty-eight (48) hours in which to concur.
- 14. Sub-Operator shall carry and pay for and file with Operator for its approval proper and acceptable evidence of the following insurance:
  - a. Workmen's Compensation and/or Employer's Liability Insurance which shall comply with the laws of the State in which this agreement is to be performed and shall cover all of its employees engaged in the activities to be performed under this agreement.
  - b. Automobile Public Liability Insurance with not less than \$100/300,000.00 limits covering bodily injury and death, and property damage with a limit of not less than \$50,000.00 to cover all automotive equipment used in connection with performance of this agreement.
  - c. Public Liability Insurance covering activities performed under this agreement with bodily injury and death limits of \$100,000.00 as to any one person and \$300,000.00 as to any one accident. Property Damage Insurance with limits of \$50,000.00.
- 15. Furnish the United States Geological Survey and the Oil Conservation Commission of the State of New Mexico all proper and necessary reports and well data in the required numbers and time periods as specified by the United States Geological Survey and the Oil Conservation Commission of the State of New Mexico, with a copy to Operator at the addresses hereinafter provided.

16. Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.

All notices, samples, or other information required to be furnished shall be sent to:

El Paso Natural Gas Company Post Office Box 1492 El Paso, Texas 79999 Attention: Land Department

With copies to:

El Paso Natural Gas Company Post Office Box 990 Farmington, New Mexico Attention: Area Exploration Manager

Sub-Operator shall comply with all applicable laws, rules and regulations of any governmental authority having jurisdiction over operations performed under this Designation, and shall indemnify, protect and hold Operator harmless from and against any and all claims, demands or causes of action for injuries or death to persons or damage to property occurring in connection with or in any manner incident to operations conducted by the Sub-Operator hereunder.

Sub-Operator and Operator agree that Sub-Operator shall drill and complete or plug and abandon the subject Dakota well pursuant to the provisions of the San Juan 28-6 Unit Operating Agreement.

The drilling of the said Dakota well is subject to approval by the Oil Conservation Commission of the State of New Mexico as to privately owned lands, the Commissioner of Public Lands of the State of New Mexico as to State lands, and the Supervisor of the United States Geological Survey, Roswell, New Mexico, as to Federal and/or Indian lands.

THIS DESIGNATION shall be effective for a period of time not to exceed three (3) months from the date hereof, or until said Dakota test is completed and/or plugged and abandoned, whichever is the sooner.

THIS DESIGNATION is personal and cannot be assigned in whole or in part by Sub-Operator without the written consent of Operator having first been obtained.

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IN WITNESS WHEREOF, this Designa	tion is executed as of the day and year
first hereinabove written.	
	OPERATOR
	EL PASO NATURAL GAS COMPANY
	By Min mile
	Attorney in Fact
	SUB-OPERATOR
	BETA DEVELOPMENT COMPANY
	By Attorney in Fact
	Actorney in Fact
STATE OF TEXAS )	
COUNTY OF EL PASO )	14
The foregoing instrument was ack 1965, by Sam Smith, At COMPANY, a Delaware corporation, on behalf	nowledged before me this 26 day of torney in Fact for EL PASO NATURAL GAS of said corporation
	Eloise France
	Notary Public
My commission expires June 1, 1965.	ELCISE BUSSE  Notary Public in and for Strate County, Texas  My Commission Expires June 1, 1965
STATE OF TEXAS	
COUNTY OF Land ( )	
The foregoing instrument was ack	nowledged before me this $\sqrt{3}$

day of ) a. , 1965, by the 2 Hample, Attorney in Fact for BETA DEVELOPMENT CO., a Texas corporation, on behalf of said corporation.

1 2 ca 1) e fec.

Notary Public

My commission expires:

My Commission expires September 11, 1967