

DESIGNATION OF OPERATOR

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

DISTRICT LAND OFFICE: Santa Fe, New Mexico

SERIAL NO.: NM-4452

and hereby designates Lone Star Industries, Inc.
c/o John E. Schalk
NAME: P. O. Box 2078
ADDRESS: Farmington, NM 87401

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):

Lots 1, 2, 3, 4, W/2 E/2 and W/2 Section 24, Township 29 North,
Range 5 West, NMPM, containing 548.52 acres, from the surface
down to the depth of 5912 feet below the surface.

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.

OCT 1 1973

(Date)

391 Robert K. Tefor
Vice President (Signature of Lessee)
Aztec Oil & Gas Company
2000 First National Bank Bldg.
Dallas, TX 75202

(Address)

