H. L. BROWN, JR. 300 West Louisiana Post Office Box 2237 Midland, Texas 79702 915 683-5216

February 4, 1985

Commissioner of Public Lands New Mexico State Land Office Santa Fe, New Mexico 87501

Attention: Mr. Ray Graham

RE: N. Anderson Ranch Unit Well #5 NE SE Section 32-15S-32E Lea County, New Mexico HLBJR LS #394-1735

Dear Sir:

With reference to the captioned well, we enclose two (2) copies of Designation of Operator dated January 8, 1985, which have been executed by Union Oil of California. This Designation appoints H. L. Brown, Jr. as Operator of the subject unit insofar as the drilling of the #5 well is concerned and as to the acreage as described therein.

We currently have a drilling permit on file with the Oil Conservation District for this well and we ask that one copy of the enclosed Designation be handed to that office. They are delaying approval of our drilling permit until they receive this Designation.

We have also been advised by your office that a letter has been prepared advising us of the manner in which production from this well should be handled to avoid separate tank batteries. This will be most helpful and we look forward to receiving this letter.

Please advise immediately if anything further is required prior to our spudding this well. We have contracted for the drilling rig and want to move in as soon as possible.

Thank you for your help.

Very truly yours,

H. L. BROWN, JR. bv Ĥ James

JHS:tj xc: Les Skinner