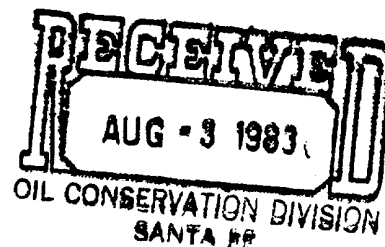




July 29, 1983



Mr. Michael E. Stogner, Examiner
Oil Conservation Division
New Mexico Energy and Minerals Department
P. O. Box 2088
Santa Fe NM 87501

Dear Mr. Stogner:

Subject: Case 7913
Order No. R-7320

Enclosed for your file you will find a copy of the Designation of Successor Operator by Working Interest Owners executed by Rebel Oil Company. Other signature pages will be forwarded to you as they become available.

Very truly yours,

A handwritten signature in cursive script that reads 'Steven C. James'.
Steven C. James

cms

Enclosure

DESIGNATION OF SUCCESSOR
OPERATOR BY WORKING INTEREST OWNERS

This Designation, dated as of the 25th day of July 1983, by and between MTS Limited Partnership and HNG Oil Company.

WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, (41 Stat. 437) as amended and supplemented, the Secretary of the Interior, on the 21st day of July 1983, approved a Communitization Agreement for the W/2 Section 22, T-24-S, R-34-E, Lea County, New Mexico, wherein MTS Limited Partnership is designated as Operator; and

WHEREAS, MTS Limited Partnership desires to transfer, assign, release, and quit claim, and HNG Oil Company desires to assume all the rights, duties, and obligations of Operator under Communitization Agreement.

NOW THEREFORE, in consideration of the premises hereinbefore set forth, MTS Limited Partnership does hereby transfer, assign, release, and quit claim unto HNG Oil Company all of MTS Limited Partnership's right, duties, and obligations as Operator under said Communitization Agreement; and

HNG Oil Company hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assume the obligations of Operator under and pursuant to all the terms of said Communitization Agreement, effective upon approval of this Designation by the Director of the U.S. Bureau of Land Management; said Communitization Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Communitization Agreement were expressly set forth in this instrument.

The other working interest owners who signed the said Communitization Agreement have also signed this Designation indicating their acceptance of HNG Oil Company as the Operator thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of
the date hereinabove set forth.

SUCCESSOR OPERATOR

HNG OIL COMPANY

Witness

By: _____
Name: _____
Title: _____

WORKING INTEREST OWNERS

MESA PETROLEUM CO. in its capacity
as General Partner of MTS Limited Partnership (LO)

Louella G. Porter
Witness

By: Marion E. Causey ^{cy}
Marion E. Causey, Vice President ^{HK}
Mesa Petroleum Co., ^{reg}
General Partner

UNION OIL COMPANY

Witness

By: _____
Name: _____
Title: _____

THE SUPERIOR OIL COMPANY

Witness

By: _____
Name: _____
Title: _____

REBEL OIL COMPANY

Velma R. Davis
Witness

By: Ernie Spear
Name: _____
Title: President

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 25th day of July, 1983, by Marion E. Causey, Vice President of Mesa Petroleum Co., a Delaware corporation which is General Partner of MTS Limited Partnership, a Texas limited partnership, on behalf of said limited partnership.

My Commission Expires:

5-29-86

Carolyn Heinze CAROLYN HEINZE
Notary Public

STATE OF)
)
COUNTY OF)

The foregoing instrument was acknowledged before me this ____ day of _____, 1983, by _____, _____ of Union Oil Company, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

STATE OF)
)
COUNTY OF)

The foregoing instrument was acknowledged before me this ____ day of _____, 1983, by _____, _____ of The Superior Oil Company, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

STATE OF MM)
)
COUNTY OF Lea)

The foregoing instrument was acknowledged before me this 27 day of July, 1983, by Mike Green President of Rebel Oil Company, a MM corporation, on behalf of said corporation.

My Commission Expires:

1-10-87

Velma R. Davis
Notary Public



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