

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

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APR 05 1990

COLO.OIL & GAS CONS.COMM.

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

STATE OFFICE: Craig, Colorado
SERIAL NO.: Denver 032682A

and hereby designates

NAME: Grand Valley Resources Incorporated
ADDRESS: P.O. Box 2622, Grand Junction, Colorado 81502

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 authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

S/2 NE/4 in the
NE/4 SE/4
Section 11, Twp., 1 North
Range 102 West, 6th P.M.,
Rio Blanco County, Colorado



00043948

Bond coverage under 43 CFR 3104 for lease activities conducted by the above named operator is under Bond Number 8-2E7099

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, stipulations, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.

Three States Oil Company

L. G. Bauer

(Signature of lessee)

January 8, 1988

(Date)

P.O. Box 2 9157 Denver, Colorado 8 0029

(Address)

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and therefore does not require OMB approval.

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Bureau of
Land Management
JAN 27 1988
WHITE RIVER
RESOURCE AREA

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1988 JAN 28 A 11:00
BUREAU OF LAND MANAGEMENT
CRAIG, CO. 81625-1119