UNITED STATES DEPARTMENT OF THE INTERIOR

Bureau of Land Management Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name:

Nadel and Gussman Permian L.L.C.

Address:

601 N. Marienfeld Suite 508

City, State:

Midland, Texas

Zip Code:

79707

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease Number: NM - 25953

Legal Description of Land: N/2 of Section 34, T-24-S, R-28-E, NMPM, Eddy County, New Mexico.

Formations: All uncommitted mineral interests from the surface to the base of the Atoka, NMOCD Order R-11372

Bond Coverage: Statewide

BLM Bond File Number: NM2427

Authorized Signature:

Name: Robert McNaughton

Title: Operations Engineer

Date: June 13, 2000