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May 08, 1998

Bureau of Land Management Farmington District Office 1235 La Plata Highway, Suite A Farmington, NM 87401 PEGETVEN MAY 1 2 1998 OIL CONL DIV. DIST. 3

Self Certification for Designation of Successor Operator Communitization Agreement in San Juan County, NM

Gentlemen:

Maralex Resources, Inc., has succeeded SG Interest I Ltd., as operator, effective February 01, 1998, for the following described property:

Communitization Agreement No. NMNM95756

Well Name: Cecil Cast # 1

Description: Section 19, Township 30 North, Range 11 West,

San Juan County, New Mexico

Maralex Resources, Inc., certifies that the working interest owners have received and approved the Designation of Successor Operator for Communitization Agreement No. NMNM95756. Maralex Resources, Inc., further certifies that it is in compliance with all known agreements associated with the Cecil Cast # 1 well.

Maralex Resources, Inc., is bonded through Insurance Management Associates. Inc., by Bond Number 158233299.

We thank you for your cooperation in this matter.

Sincerely,

Maralex Resources, Inc.

A. M. O'Hare President