

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Nearburg Producing Company
3300 North "A" Street, Building 2, Suite 120
Midland, Texas
79705

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

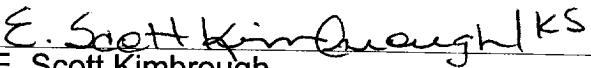
Lease No: NM 32860

Legal Description of Land: 660' FNL and 1,650' FWL, Section 12, T19S, R33E

Formation(s) (if applicable): Morrow

Bond Coverage: \$25,000 statewide bond of Nearburg Producing Company

BLM Bond File No: NM1307

KS

E. Scott Kimbrough

Manager of Drilling and Production

06/03/97