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# Burns Operating

710 Lamar, Suite 300

P.O. Box 97525

Wichita Falls, Texas 76307

(817) 322-5426

February 15, 1996

H. Rex Armstrong  
General Manager

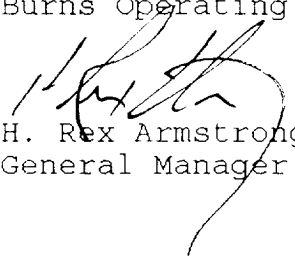
Bureau of Land Management  
Carlsbad Resource Area  
P.O. Box 1778  
Carlsbad, New Mexico 88221-1778

RE: Burnett "1" Federal #1  
Section 1-17S-30E  
Eddy County, New Mexico

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

Lease No.:	NM-2747
Legal Description of Land:	Lots 3, 4, S/2 NW/4, & S/2 of Section 1-17S-30E
Bond Coverage:	\$25,000 Lease Bond
BLM Bond File #:	NM 2428

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H. Rex Armstrong  
General Manager