

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

KUKUI Operating Company
601 Vestavia Pkwy. St. 240
Vestavia, Alabama 35216

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

Lease No: NMNM - 103604

Legal Description of Land: S 1/2 of Section 35 - T23S - R29E
Eddy County, New Mexico

Formation(s) (if applicable):

Bond Coverage: Statewide

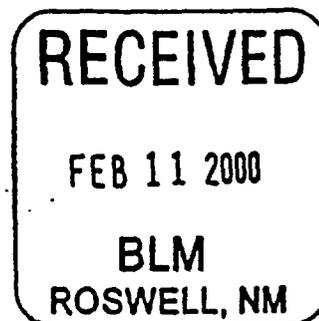
BLM Bond File No: NM 2446

Authorized Signature:



Title: District Operations Mgr.

Date: 2/8/2000



VE

103604
RC