

Operator - Landowner Agreement

Company: Gruy Petroleum Management Co.
Proposed Well: Blackriver 10 Federal Com 2
Federal Lease Number: NM-0413245

This is to advise that Gruy Petroleum Management Co. has an agreement with: Eugene C & Alice K Hood, 1142 Black River Village Rd, Canal, Carlsbad, NM 88220, the surface owner, concerning entry and surface restoration after completion of drilling operations at the above described well.

After abandonment of the well, all pits will be filled and levelled, and all equipment and trash will be removed from the well site. No other requirements were made concerning restoration of the well site.

1/10/03
Date

Zeno Farris
Signature Zeno Farris
Manager, Operations Administration

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30-015-32634



Gruy Petroleum Management Co.

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A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Bureau of Land Management
2909 West 2nd Street
Roswell New Mexico 88201-2019
Attn: Ms. Linda Askwig

Gruy Petroleum Management Co. accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease No.: LC - 0413245

Legal Description: W/2 Sec 10, T24S-R26E
Containing 320.00 acres, Eddy County New Mexico

Formation (S): Strawn - Atoka - Morrow

Bond Coverage: Nationwide BLM Bond

BLM Bond File No.: NM 2575

Authorized Signature: Zeno Farris
Representing Gruy Petroleum Management Co.

Name: Zeno Farris

Title: Manager, Operations Administration

Date: 01/14/03