

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

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.: LC-060122

LEGAL DESCRIPTION OF LAND: Section 22-T18S-R27E

EDDY COUNTY, NEW MEXICO

FORMATION (S) (if applicable):

BOND COVERAGE: Statewide

BLM BOND FILE NO.: 585716

Diana J. Cannon Production Analyst

Date: 4/17/02