## STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

SDX Resources Inc. PO Box 5061 Midland, TX 79704

June 7, 2001

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.: NM-105204

Lease Name: Malibu Federal #3

Legal Description of Land: Unit O, 330' FSL 1797' FEL

Sec. 5, T18S, R27E Eddy Co., NM

Formation (s): Red Lake, QN-GB-SA

Bond Coverage: Statewide Bond - State of New Mexico

BLM Bond File No.: NM2307

Authorized Signature:

John Pool Vice-President