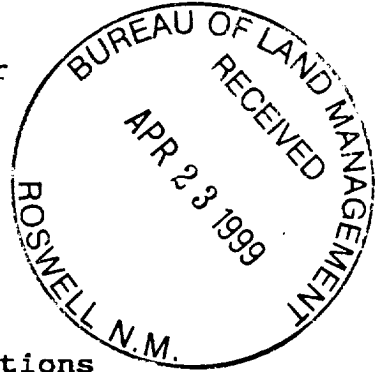


United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell Resource Area
P.O. Drawer 1857
Roswell, New Mexico 88202-1857



Statement Accepting Responsibility for Operations

Operator name: ARCO PERMIAN
Street or box: P.O. BOX 1610
City, State : MIDLAND, TX 79702
Zip code, : 79702

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 25336

Legal Description of land: Lot I, SECTION 35, T20S, R21E, Eddy County, NM

Formation(s) (if applicable): MORROW

Bond Coverage: (State if individually bonded or another's bond)

NATIONWIDE BLM BOND
BLM Bond File No.: 40629484
ES0135

Authorized Signature:

A handwritten signature in cursive script that reads "Laurie Cherry".

Title: REG./COMP. ASST.

Date: 4-12-99