

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Application for Permit to Drill
Margaret 13 Federal #1
860' FSL & 1980' FEL
Section 13, T-19S, R-31E
Eddy County, New Mexico

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 05470 C

Legal Description : SW/4 Se/4 Section 13, T-19S, R-31E
Eddy County, New Mexico

Formation : Surface to Base of Wolfcamp

Bond Coverage : \$25,000 Statewide

BLM Bond File No. : BO2099

Authorized Signature : Marc W. [Signature]

Title : President

Date : 2/14/01