

Remuda Operating Company

301 North Colorado, Suite 150

Midland, Texas 79701

915-684-8003

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land of portion thereof, as described below:

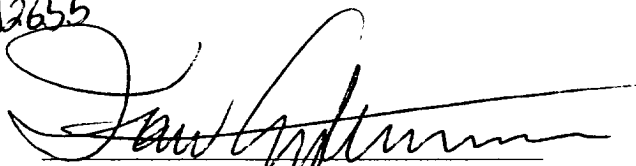
Lease No.: NM-0554771

Legal Description of Land: Unit A, Section 16, T20S, R29E
Eddy County, New Mexico

Formation: Thru Seven Rivers

Bond Coverage: Trinity Universal Insurance Companies (\$25,000.00 statewide)

BLM Bond File No.: NM2655



Tom Aylesworth, President
October 16, 1998

APPROVED

OCT 30 1998

(ORIG. SGD.) DAVID R. GLASS

AUTHORIZED OFFICER, MINERALS
BUREAU OF LAND MANAGEMENT