

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

APR 1 1997

BLM
ROSWELL, NM

Fasken Oil and Ranch, Ltd. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.: LC 070409 and NM 0454228


LEGAL DESCRIPTION: SW/4, and Lots 29, 30, 31, 32 of Sec.1, T21S, R25E, Eddy County, NM and

FORMATION(S): All formations from surface to a depth of 10,682'.

BOND COVERAGE: \$25,000

BLM BOND FILE NO.: NM0152

Fasken Oil and Ranch, Ltd.
by: Fasken Management, LLC
It's General Partner


Benjamin L. Blake
Vice-President

Date: 3/31/97