STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Maralo, Inc. P. O. Box 832 Midland, Texas 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.

USA NM-55929

LEGAL DESCRIPTION OF LAND: EXXON "8" FEDERAL, Well No. 1

660' FNL & 860' FEL

Section 8, T-25-S, R-29-E

FORMATION(S):

To be plugged back and

recompleted in Bone Spring

BOND COVERAGE:

Blanket

BLM BOND FILE NO.

CRO 400817

Renewed through 02/95

AUTHORIZED SIGNATURE

TITLE Off, Margar
DATE 5-4-1994