

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS
43 CFR 3100.0-5
NTL 89-1 New Mexico

Hanagan Petroleum Corporation accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NUMBER: NM 012121

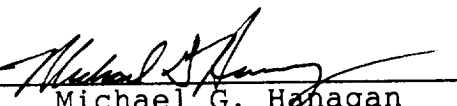
LEGAL DESCRIPTION OF LAND: SE/4 of the NW/4 of
Sec. 25 - T24S - R31E
Eddy County, New Mexico

BOND COVERAGE: Statewide bond of Hanagan Petroleum Corp.
from Planet Indemnity Company.
Surety Bond # B03222

FORMATIONS: Surface to Base of Delaware.

BLM BOND FILE NUMBER: Statewide Bond 3104 (943C-3ssp)

DATE: 3/16/92

AUTHORIZED SIGNATURE: 
Michael G. Hanagan

TITLE: Vice President