

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

Pogo Producing Company accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NUMBER: NM 63757

LEGAL DESCRIPTION OF LAND: NW/4 of the NW/4 of Sec. 9 - T24S - R31E Eddy County, New Mexico

BOND COVERAGE: Nationwide Oil and Gas Bond of National Union Fire Insurance Company of Pittsburgh, PA. Bond #018130

FORMATIONS: Surface to Base of the Bone Spring

BLM BOND FILE NUMBER: Nationwide Bond 3104 (923G)

DATE: October 12, 1993 AUTHORIZED SIGNATURE: Richard L. Wrigh

TITLE: Division Operations Manager