STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

KUKUI Operating Company 601 Vestavia Pkwy. St. 240 Vestavia, Alabama 35216

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: NMNM - 103571

Legal Description of Land: E 1/2 of Section 25 - T19S - R21E

Eddy County, New Mexico

Formation (s) (if applicable):

Bond Coverage: Statewide

BLM Bond File No: BO 5522

Authorized Signature:

Title: District Operations Mgr.

Date: 4/20/2001

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