

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

THE UNDERSIGNED ACCEPTS ALL APPLICABLE TERMS, CONDITIONS, STIPULATIONS, AND RESTRICTIONS CONCERNING OPERATIONS CONDUCTED ON THE LEASES LAND OR PORTION THEREOF, AS DESCRIBED BELOW:


LEASE NO.: NM 0554602

LEGAL DESCRIPTION: SECTION 8 and N/2 SECTION 17, TOWNSHIP: P 21 SOUTH RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO

FORMATION(S): SAN ANDRES and ABO

BOND COVERAGE: STATEWIDE PERSONAL BOND accompanied by an
BLM BOND FILE NO.: IRREVOCABLE LETTER OF CREDIT in the amount of
\$25,000. issued by TEXAS COMMERCE BANK

AUTHORIZED SIGNATURE:


NAME: D. K. BOYD

TITLE: OPERATIONS MANAGER

DATE: 3/07/96