STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

SDX Resources Inc. PO Box 5061 Midland, TX 79704

September 23, 1999

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 .:

LC-055546

Lease Name:

Legal Description of Land:

Formation (s):

Bond Coverage:

BLM Bond File No.:

Wells Federal #22

Unit C, 660' FNL 1780' FWL Sec. 5, T25S, R37E Lea Co., NM

Jalmat Gas

Statewide Bond - State of New Mexico

NM2307

Authorized Signature:

John Pool Vice-President