

THE TRAVELERS INDEMNITY COMPANY

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number 956 E137A effective April 2, 1980
issued by the THE TRAVELERS INDEMNITY COMPANY in the amount of
FIVE THOUSAND AND NO/100 DOLLARS, on behalf of NANCO, INC.
as Principal and in favor of STATE OF NEW MEXICO as obligee:

Now, Therefore, it is agreed that:

Amended

Legal Description of Well is amended to read as follows:

1,799.26 feet from the West line and 3,555.16 feet from the
North line, SW/4, NE/4, SW/4, Sec. 15, Township 25 North,
Range 2 West, N.M.P.M. Rio Arriba County, New Mexico

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 2nd day of April 19 80
Signed, sealed and dated this 16th day of April 19 80

THE TRAVELERS INDEMNITY COMPANY

By: Judith A. Curtis,

Attorney-in-Fact

Accepted By:



STATE OF NEW MEXICO

ONE-WELL PLUGGING BOND

FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,
SANDOVAL, AND SAN JUAN COUNTIES ONLY

BOND NO. 956 E 137A
(For Use of Surety Company)
AMOUNT OF BOND \$5,000.00
COUNTY Rio Arriba

Well Name: Locer #2

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00*
For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$7,500.00*
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

* Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet. (See Rule 101)

File with Oil Conservation Commission, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That NANCO, INC., (An individual) (a partnership)
(a corporation organized in the State of _____, with its principal office in the city of
Tulsa, State of Oklahoma, and authorized to do business
in the State of New Mexico), as PRINCIPAL, and THE TRAVELERS INDEMNITY COMPANY, a
corporation organized and existing under the laws of the State of Connecticut,
and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New
Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New
Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of FIVE THOUSAND AND NO/100--(\$9,000.00)
Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and
SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or
helium gas leases with the State of New Mexico; and

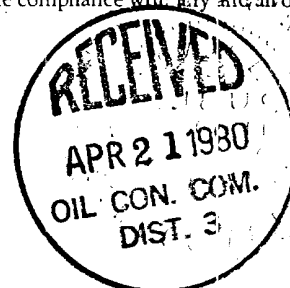
WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or
helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private
individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or
may commence the drilling of one well not to exceed a depth of 3,750 feet, to prospect for and produce oil
or gas, or carbon dioxide (CO₂) gas or helium gas, or does own or may acquire, own or operate such well, or such well
started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) leases, or helium gas leases,
and on land patented by the United States of America to private individuals, and on land otherwise owned by private
individuals, the identification and location of said well being SW/4 NE/4 SW/4

(Here state exact legal subdivision by 40 acre tract or lot)
Section 15, Township 25 (North) ~~(XXX)~~, Range 2 ~~(XXX)~~ (West), N.M.P.M.
Rio Arriba County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall
plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Commission of New
Mexico in such way as to confine the oil, gas, and water in the strata in which they are found, and to prevent them from escaping into other
strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said
obligations, the same shall remain in full force and effect.



NANCO, INC.
PRINCIPAL
Address
By E. Alex Phillips
Signature
President
Title

(Note: Principal, if corporation, affix corporate seal here.)

THE TRAVELERS INDEMNITY COMPANY
SURETY
3035 NW 63rd Street
Oklahoma City, Oklahoma 73187
Address
By Judith A. Curtis
Attorney-in-Fact
Judith A. Curtis

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Notary Public

My Commission expires _____

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF Oklahoma)
COUNTY OF Tulsa) ss.

On this 2nd day of April, 1990, before me personally appeared E. Alex Phillips, to me personally known who, being by me duly sworn, did say that he is President of Nanco, Inc. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Feb. 20, 1993
My Commission expires _____
Barbara A. Long
Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF Oklahoma)
COUNTY OF Tulsa) ss.

On this 2nd day of April, 1989, before me appeared Judith A. Curtis, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of The Travelers Indemnity Company and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

August, 1982
My Commission expires _____
(Note: Corporate surety attach power of attorney.)
Charlyn Goodwin
Notary Public
Charlyn Goodwin

APPROVED BY:

THE TRAVELERS INDEMNITY COMPANY

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as Principal and in favor of STATE OF NEW MEXICO as obligee:

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North line, SW/4 NE/4 SW/4, Sec. 15, Township 25 North,
Range 2 West, N.M.P.M. Rio Arriba County, New Mexico

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This rider is to be effective the 2nd day of April 19 80

Signed, sealed and dated this 16th day of April 19 80



THE TRAVELERS INDEMNITY COMPANY

By:

Judith A. Curtis,

Attorney-in-Fact

Accepted By:

The Travelers Indemnity Company

Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

Fred Daniel, Jr., William Daniel, Judith A. Curtis, Glenn Frisby, all of Tulsa, Oklahoma, EACH

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 14. The Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Corporate Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 16. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by the Corporate Secretary or any Department Secretary or any Assistant Corporate Secretary or any Assistant Department Secretary, or shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent, pursuant to and within the limits of the authority granted by his or her power of attorney.

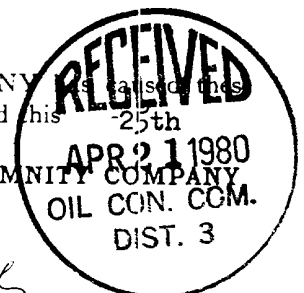
This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 25th day of May 1979.

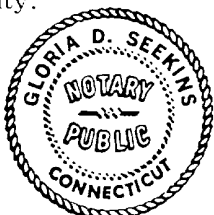


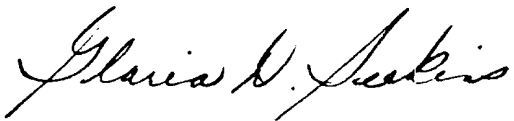
THE TRAVELERS INDEMNITY COMPANY
By  Secretary, Surety



State of Connecticut, County of Hartford—ss:

On this 25th day of May in the year 1979 before me personally came D. J. Nash to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



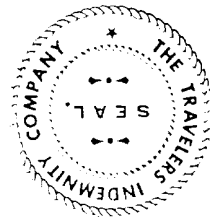

Notary Public

My commission expires April 1, 1983

CERTIFICATION

I, Paul D. Tubach, Assistant Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, certify that the foregoing power of attorney, the above quoted Sections 14, and 16, of Article IV of the By-Laws and the Resolution of the Board of Directors of November 30, 1959 have not been abridged or revoked and are now in full force and effect.

Signed and Sealed at Hartford, Connecticut, this 2nd day of April 19 80 .



Paul D. Tubach
Assistant Secretary, Surety

S-1869 (BACK)