



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

PARAMOUNT PETROLEUM CORP.
Aztec Totah Unit #7 O-20-29N-13W

Downhole Conditions and Equipment

✓ 8 5/8" at 192' W/170 sacks
4 1/2" at 5351' W/400 sacks. 2 stages
2 3/8" at 5302'

DIVISION APPROVED PLUGGING PROGRAM

1. Pull and lay down rods.
2. Pull and check tubing.
3. Go back in hole with tubing to plug back TD at 5351 and set a cement plug 5351'-5200'.
4. Pull out of cement with tubing and reverse out with water to make sure tubing is clear. Wait on cement a minimum of 4 hours and tag plug. If plug is at 5250 or above go to step 5. If not, fill to 5200'.
5. Come out of hole with tubing and pressure up on casing to 500 PSI to insure mechanical integrity. If casing leaks go in hole with packer and locate hole.
6. Squeeze with a minimum of 30 sacks of cement leaving 100' of cement inside casing.
7. If casing does not have a leak, perforate at 2800' and set a cement plug 2700' to 2800' in and outside casing to isolate Mesaverde.
8. Pull out of hole to 1200' and set a cement plug 1200' to 1000' inside casing.
9. Pull out of hole to 242' and set a cement plug 242' to 142' inside casing.
10. Set a top plug and dry hole marker.
11. Fill pits, clean and level location.

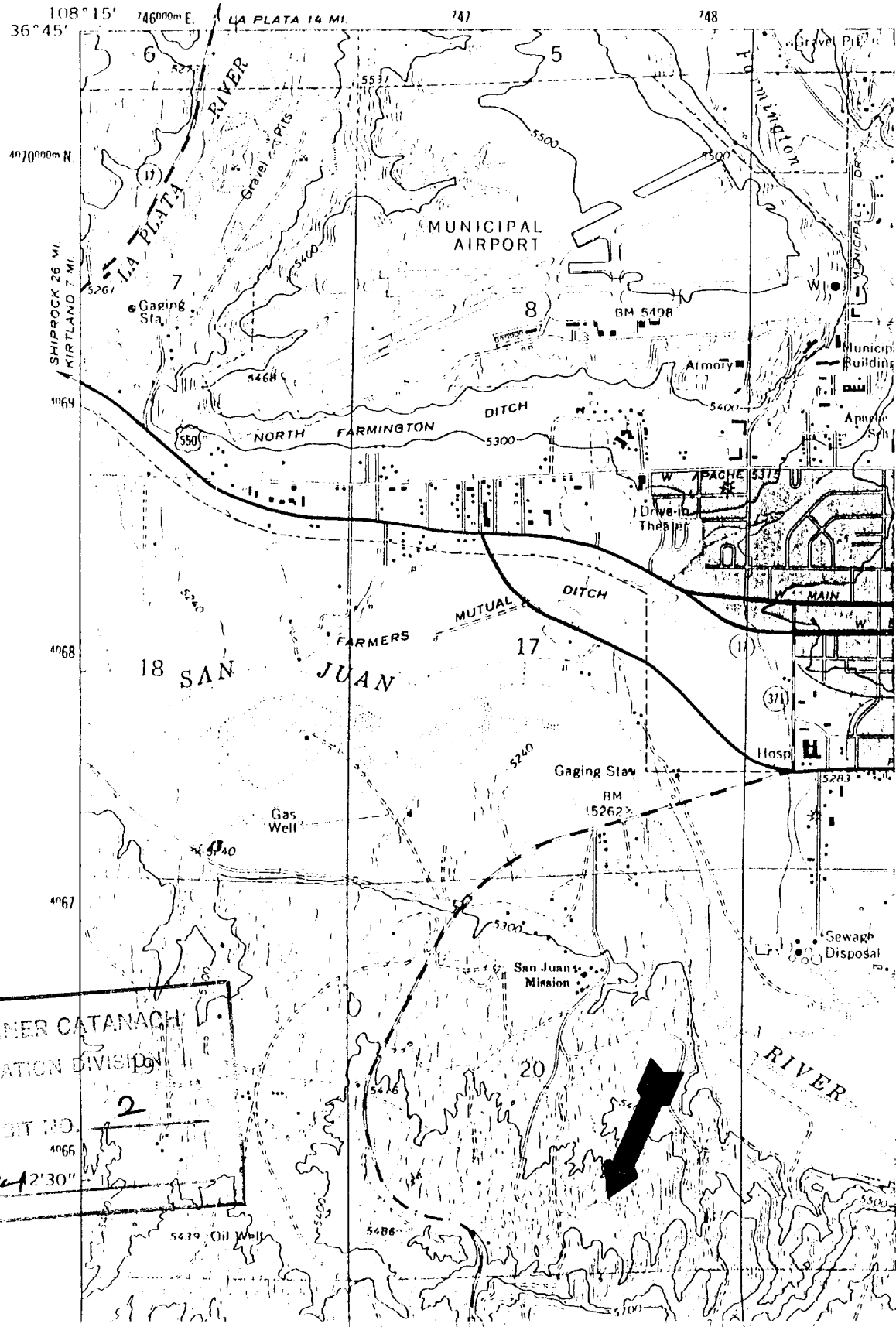
All plugs to be with neat cement with or without an accelerator.

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|---------------------------|------|
| OIL CONSERVATION DIVISION | |
| 16-21-87 | |
| CASE NO. | 9214 |

PARAMOUNT PETROLEUM CORP.
Aztec Totah Unit #7 O-20-29N-13W

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

YOUNGS LAKE



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

10-21-87 EXHIBIT NO. 2

CASE NO. 92142'30"



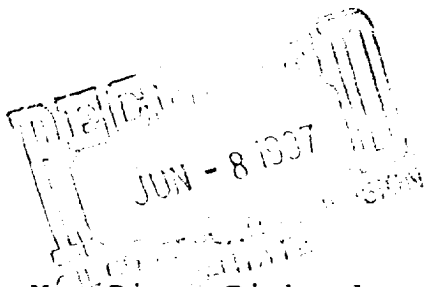
**FIREMAN'S FUND
INSURANCE COMPANIES**

777 San Marin Drive
Novato, CA 94998

Writer's Direct Line
(415) 899-2848

Margaret Smith
Assistant Vice President &
Assistant General Counsel

June 4, 1987



Ms. Diane Richardson
Administrator, Bonding Department
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87501

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| BEFORE THE BOARD OF DIRECTORS |
| COUNCIL OF THE FIREMAN'S FUND |
| 10-21-87-10-21-87 3 |
| CASE NO. 9214 |

Re: \$50,000 Blanket Plugging Bond -- No. 1074-8467

Dear Ms. Richardson:

Your letter of May 5, 1987, addressed to our Houston office has been forwarded to my attention.

We have examined our files but have been unable to find any evidence that any of the individuals purportedly having the power of attorney from National Surety Corporation were ever given that power by our company. Contrary to the assertion contained in the supposed power of attorney, the National Surety Corporation that is a subsidiary of Fireman's Fund is incorporated in Illinois, not New York. The bond is quite clearly not one of ours.

Neither have we been successful in locating the principal named in the bond. There is a Paramount Petroleum Company located in Houston, Texas. But they claim to have no affiliation with Paramount Petroleum Corporation and referred us to a California corporation with a similar name.

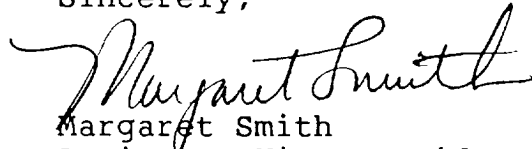
In speaking to Bill Winters, Director of Human Resources of Paramount Petroleum Corporation (located in Paramount, California), he told me that Paramount Petroleum Corporation was incorporated in 1984, which is well after the bond in question was issued. However, he thought that the present

Letter to Ms. Diane Richardson
June 4, 1987
Page Two

company had purchased the right to the name from some previous entity. Whether that previous entity is the company you are seeking, we have no way of knowing. If you wish to discuss this further with Mr. Winters, you may reach him at (213) 531-2060.

I am sorry we cannot be of more assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margaret Smith".

Margaret Smith
Assistant Vice President &
Assistant General Counsel

MS:hs

cc: Loretta Anstey - HO Surety Underwriting
Mike Peyton - Dallas Surety Center
Clarissa Chavis - Houston Surety