

STATE OF NEW MEXICO

ONE-WELL PLUGGING BOND

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

BOND NO. U2723755

AMOUNT OF BOND \$17,800.00

COUNTY SAN JUAN

NOTE: For wells less than 5,000 feet deep, the minimum bond is **\$5,000.00***
For wells 5,000 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 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 5,500 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 Division, 2040 South Pacheco, Santa Fe, NM 87505

KNOW ALL MEN BY THESE PRESENTS:

That KEY? FOUR CORNERS, INC. DBA BIG A WELL SERVICE (An individual) (a partnership) (a corporation organized
SUNCO TRUCKING
in the State of NEW MEXICO, with its principal office in the city of FARMINGTON, State of NEW MEXICO
, and authorized to do business in the State of New Mexico), as PRINCIPAL, and UNITED PACIFIC INSURANCE
COMPANY, a corporation organized and existing under the laws of the State of PENNSYLVANIA,
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 Division of New Mexico pursuant to Section 70-2-12, New Mexico Statutes Annotated, 1978
Compilation, as amended, in the sum of \$17,800.00 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 lease, or carbon dioxide (CO2) gas leases,
or helium gas leases or brine mineral 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 or brine mineral 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 4999 feet, to prospect for and produce oil or gas, or carbon dioxide
(CO2) gas or helium gas, or brine minerals, 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, or brine mineral 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

1595 FT FROM NORTHLINE & 1005 FT FROM WEST
SUNCO DISPCAL WELL #1 Section 2 Township 29 N (North) (South),
(Here state exact legal footage description and name of well)
Range 12 W (East) (West) N.M.P.M., SAN JUAN 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 Division of
New Mexico in such way as to confine the oil, gas, brine 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.

KEY FOUR CORNERS, INC. DBA
BIG A WELL SERVICE/SUNCO TRUCKING

PRINCIPAL

P. O. BOX 900
FARMINGTON, NEW MEXICO 87499

Address

By

Ron Fellabaum

Signature

VICE-PRESIDENT

Title

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

UNITED PACIFIC INSURANCE COMPANY
SURETY

P. O. BOX 53910
LUBBOCK, TEXAS 79453

Address

Howard Cowan

Attorney - In-Fact HOWARD COWAN

(Note: Corporate surety affix corporate
seal here)

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF _____)

ss.

COUNTY OF _____)

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 _____

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF NEW MEXICO)

ss.

COUNTY OF SAN JUAN)

On this 19TH day of SEPTEMBER, 19 97, before me personally appeared RON FELLABAUM,
to me personally known, who, being by me duly sworn, did say that he is VICE PRESIDENT
of KEY FOUR CORNERS, 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.

Mich. D. Long
Notary Public

JANUARY 2, 2000

My Commission Expires

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF TEXAS)

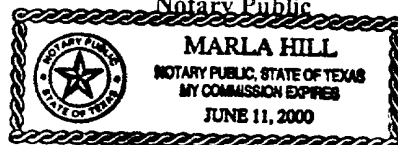
ss.

COUNTY OF LUBBOCK)

On this 17TH day of SEPTEMBER, 19 97, before me appeared HOWARD COWAN,
to me personally known, who, being by me duly sworn, did say that he is
ATTORNEY-IN-FACT of UNITED PACIFIC INSURANCE 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.

Marla Hill
Notary Public



6/11/2000

My Commission Expires

(Corporate Surety attach Power of Attorney)

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By: _____ Date: _____

RELIANCE SURETY COMPANY
UNITED PACIFIC INSURANCE COMPANY

RELIANCE INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Howard Cowan, Kevin J. Dunn, Maria Hill., of Lubbock, Texas their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this June 6, 1996.



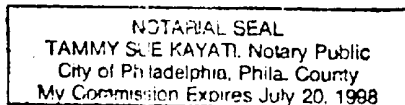
RELIANCE SURETY COMPANY
RELIANCE INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

David T. Akers

STATE OF Pennsylvania
COUNTY OF Philadelphia } ss.

On this, June 6, 1996, before me, Tammy Sue Kayati, personally appeared David T. Akers, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, hereunto set my hand and official seal.



Tammy Sue Kayati
Notary Public in and for the State of Pennsylvania
Residing at Philadelphia

I, Anita Zippert, Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 17TH day of SEPTEMBER 1997.

Anita Zippert

Secretary

