

APPLICATION FOR LETTER OF CREDIT

DATE OF APPLICATION
6-30-89

CUSTOMER - NAME AND ADDRESS Grand Resources, Inc. 2250 East 73rd, Suite 400 Tulsa, Oklahoma 74136	ISSUING BANK - NAME AND ADDRESS Western National Bank P. O. Box 702680 Tulsa, OK 74170	APPLICATION & LETTER OF CREDIT NUMBER 803100 AMOUNT (U.S. DOLLARS) 15,000.00
BENEFICIARY - NAME AND ADDRESS United States Department of Interior Bureau of Indian Affairs Window Rock, Arizona 86515	ADVISING BANK - NAME AND ADDRESS	EXPIRATION DATE 6-30-90 TO BE AVAILABLE BY DRAFTS DRAWN AT: SIGHT

The undersigned Customer hereby applies to the above named Issuing Bank to establish an IRREVOCABLE LETTER OF CREDIT in behalf of Beneficiary shown herein for any sum or sums not exceeding in the aggregate the Amount (U.S. Dollars) stated above, which amount shall be available by draft(s) drawn as indicated through the Advising Bank (if any) and presented to the Issuing Bank on or before the close of business on the Expiration Date set forth in this Application.

Documents to accompany the draft(s) drawn hereunder and other instructions are as follows:

Sworn Statement of the United States Department of Interior, Bureau of Indian Affairs that Grand Resources, Inc. is in default of its obligations under the terms and conditions of the Oil and Gas Mining Leases and Permits on properties situated within Navajo Indian Reservation in the State of New Mexico and that the amount claimed is due and payable.

SPECIAL INSTRUCTIONS:

It is a condition of this Letter of Credit that this Letter of Credit will be automatically extended without amendment for one year from the present or any future expiration date hereof unless at least thirty (30) days prior to any such expiration date, we notify you by registered mail at the address given above that we elect not to consider this Letter of Credit renewed.

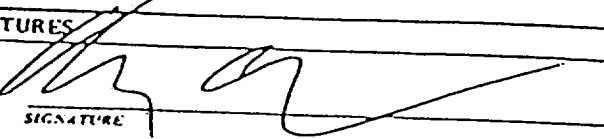
Partial drawings prohibited.

Collateral offered to secure obligation to Issuing Bank under the requested Letter of Credit is as follows:

Unsecured

The agreed fee to open the subject Letter of Credit is \$ 150.00

The opening of the Letter of Credit shall be subject to the Agreement set forth on reverse side hereof to which undersigned Customer agrees.

SIGNATURES Grand Resources, Inc. NAME OF CUSTOMER	 SIGNATURE Marvin Robinowitz, President TITLE
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