



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 27, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Fidelity and Deposit Company of Maryland
3910 Keswick Road
Attn: Surety Service Center, 5th Floor, Chesapeake Bldg.
Baltimore, MD 21211

Re: \$50,000 Blanket Plugging Bond
Greka AM, Inc., Principal
Fidelity and Deposit Company of Maryland, Surety
Bond No. 04128203

Dear Sir:

The New Mexico Oil Conservation Division hereby acknowledges your request, dated September 14, 2004 to cancel the above-referenced blanket plugging bond, effective ninety days from the date of notice. The bond cannot be released at this time as Greka AM, Inc. is the operator in fact of the following wells under the bond:

Harton State #1	API # 30-025-28540	UL H, Section 7, T13S, R36E
Morris #1	API # 30-025-29247	UL D, Section 8, T13S, R36E
Fern Guye #1	API #30-025-34488	UL M, Section 5, T13S, R36E
Saba State #1	API #30-025-33726	UL I, Section 7, T13S, R36E
San Simon 5 State #1	API #30-025-27564	UL E, Section 5, T22S, R35E
San Simon 5 State #2	API #30-025-28480	UL G, Section 5, T22S, R35E

The bond is hereby cancelled as to future liability effective **December 13, 2004**, as to any property or wells acquired, started or drilled after that date.

It should be noted, however, that the subject bond will remain in effect as to any property or wells acquired, started or drilled on or before **December 13, 2004**.

Sincerely,

GAIL MACQUESTEN

Assistant General Counsel

c: Oil Conservation Division – Hobbs, Artesia, Aztec

Greka AM, Inc.
6527 Dominion Road
Santa Maria, CA 93454

Greka AM, Inc.
3000 Wilcrest, Ste. 220
Houston, Texas 77042-3655

Before the OCD
Case 13363
OCD Ex. 19