

William G. Solomon

Attorney At Law

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July 24, 2000

JUL 26 2000

Ms. Dorothy Phillips
New Mexico State Land Office
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Re: Plugging Bond Rider

Dear Ms. Phillips,

Enclosed is the rider to your plugging bond now showing the principals to be Lowe Partners, LP and Maralo, LLC, as Managing Partner of Lowe Partners, LP and as Operator, which has been signed by Mary Ralph Lowe as President of Maralo, LLC.

If you have any questions, please let me know.

Very truly yours,

William G. Solomon

William G. Solomon

WGS/kn
enclosure

cc: Mary Ralph Lowe
Joe C. Pulido

Before the OCC
Case 13142 - *De Novo*
OCD Ex. 12

RIDER NO. 2

Attaching to and forming part of Blanket Plugging Bond, Bond No. UIB0003897 effective January 23, 1993 on behalf of Maralo, Inc. as Principal, in favor of State of New Mexico as Obligee, in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00).

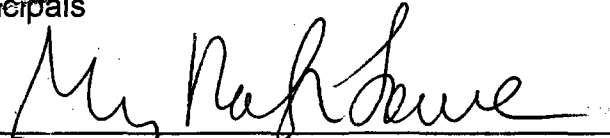
It is understood and agreed that effective July 13, 2000 the following names are added as additional Principals:

Lowe Partners LP, Maralo, LLC as Managing Partner of Lowe Partners, LP and as operator

All other conditions and terms to remain as originally written.

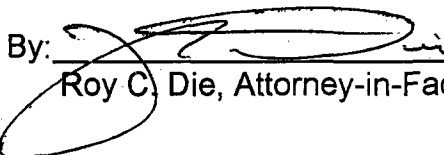
Signed, sealed and dated this 13th day of July, 2000.

Lowe Partners LP, Maralo, LLC as Managing
Partner of Lowe Partners, LP and as operator
Principals

By: 

Mary Ralph Lowe, President of Maralo LLC
5151 San Felipe, #400, Houston, TX 77056

Underwriters Indemnity Company
Surety

By: 
Roy C. Die, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

ROY C. DIE

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

\$50,000.00

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate 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 TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the 30th day of April 1996.



E.H. Frank III

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 30th day of April 1996, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Robin N. Neville

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 13th day of July, 1999



Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.