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Gardiner  
Claim Manager  
St. Paul Travelers Bond  
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May 4, 2006 Fax 505-476-3462

David K. Brooks, Esq.  
New Mexico Energy, Materials & natural Resources  
1220 South St Francis Drive  
Santa Fe, NM 87505

Re: Travelers Indemnity Company  
Our File No.: T0604097  
Bond No.: 103159953  
Principal: Tempo Energy, Inc.  
Obligee: State of New Mexico

Dear Mr. Brooks:

This will acknowledge receipt of your correspondence dated March 23, 2006 which we received April 17, 2006 in which you advise the bond will be forfeited if an order is entered as requested in the application, a copy which you provided to us. To facilitate our review of this matter, we respectfully request copies of documentation supporting the claim to the extent it has not been previously submitted and any additional information available to you which would assist us.

We will advise our Principal, Tempo Energy, Inc. of this matter and request that they review it promptly and provide Travelers with their position.

Please note that this letter is not, and should not be construed as, an admission of liability under the bond or any applicable law. All rights and defenses which are or may become available to Travelers are, and shall continue to remain fully and strictly reserved whether mentioned in subsequent communications or not. Please direct all future correspondence on this matter to the undersigned, being sure to include bond 103159953 and file no. T0604097 on all communications.

Sincerely,   
Greg Gardiner