

NM1 - 26

BONDS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

June 20, 2003

Mr. Gerald L. Jensen
Jenex Operating Company
621 17th Street, Suite 830
Denver, Colorado 80293

**RE: \$120,000 Surety Bond
Commercial Surface Waste Management Facility
Jenex Operating Company, Principal
Fidelity and Deposit Company of Maryland, Surety
Section 14, Township 20 South, Range 38 East, NMPM
Lea County, New Mexico
No. 04127088 and Rider**

Dear Mr. Jensen:

The New Mexico Oil Conservation Division (NMOCD) has received a rider to bond No. 04127088 increasing the amount of the bond to \$120,000. The NMOCD hereby approves the above-referenced Commercial Surface Waste Management Facility Surety Bond with rider.

Sincerely,

A handwritten signature in cursive script, reading "David K. Brooks".

David K. Brooks
Assistant General Counsel

DKB:mjk

Enclosure: Copy Surety Bond No. 04127088 and rider

xc with attachment:

Hobbs OCD Office

Sandra J. Shryack, IMA, Inc., P.O. Box 2992, Wichita, KA 67201-2992

FIDELITY AND DEPOSIT COMPANY

HOME OFFICE

OF MARYLAND

BALTIMORE, MD 20203

RIDER

To be attached to and form a part of Waste Management Facilities Bond No. 04127088
dated the 28th day of September, 20 00 issued by the FIDELITY AND DEPOSIT COMPANY OF
MARYLAND, as Surety, on behalf of Jenex Operating Company
_____ as Principal,
in the penal sum of One Hundred Thousand & No/100 Dollars (\$100,000.00)
and in favor of State of New Mexico, Oil Conservation Division

In consideration of the premium charged for the attached bond, it is hereby agreed that the above referenced bond will be amended as follows:

The bond amount is increased to One Hundred Twenty Thousand & no/100 Dollars (\$120,000.00)

Provided, However, that the attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified, and further that the liability of the Surety under the attached bond and the attached bond as amended by this rider shall not be cumulative.

This rider shall become effective as of the 3rd day of June, 20 03.

Signed, sealed and dated this 3rd day of June, 20 03.

Jenex Operating Company

Principal

By: [Signature] Pres.

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

By: [Signature]

Sandra J. Shryack

Attorney-in-Fact

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
HOME OFFICE: 3910 KESWICK ROAD, BALTIMORE, MD 21211

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint W. C. Cohen, Jr., Joe E. Moddrell, Jr., Joseph C. Lukens, II, Scott T. Post, Richard K. Stone, Bret S. Burton, Jana M. Forrest, Patricia Brogan, Sandra J. Shryack and Erica M. Plummer, all of Wichita, Kansas, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings 1. Consents to Release of Retainage and/or Final Estimates on Construction Contracts required by the Department of Transportation, State of Florida and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of W. C. Cohen, Jr., Joe E. Moddrell, Jr., Joseph C. Lukens, II, Scott T. Post, Richard K. Stone, Bret S. Burton, Jana M. Forrest, Patricia Brogan, and Erica M. Plummer, dated May 25, 2001.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 10th day of May, A.D. 2002.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



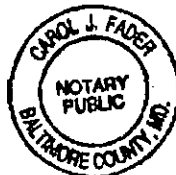
T. E. Smith
T. E. Smith Assistant Secretary

By: *Paul C. Rogers*
Paul C. Rogers Vice President

State of Maryland }
County of Baltimore } ss:

On this 10th day of May, A.D. 2002, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

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



Carol J. Fader
Carol J. Fader Notary Public
My Commission Expires: August 1, 2004

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

this 3rd day of June, 2003.

A. D. Sanchez
Assistant Secretary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

July 24, 2002

CERTIFIED MAIL

RETURN RECEIPT NO. 7001-1940-0004-3929-7990

Mr. Gerald L. Jensen
Jenex Operating Company
621 17th Street
Suite 830
Denver, Colorado 80293

**RE: \$100,000 Surety Bond
Commercial Surface Waste Management Facility
Jenex Operating Company, Principal
Fidelity and Deposit Company of Maryland, Surety
Section 14, Township 20 South, Range 38 East, NMPM
Lea County, New Mexico
No. 04127088**

Dear Mr. Jensen:

The New Mexico Oil Conservation Division (NMOCD) has received a rider to bond No. 04127088 increasing the amount of the bond to \$100,000. The NMOCD hereby approves the above-referenced Commercial Surface Waste Management Facility Surety Bond with rider.

If you have any questions please contact Martyne Kielling at (505) 476-3488.

Sincerely,

David K. Brooks
Assistant General Counsel

DKB:mjk

Enclosure: Copy Surety Bond No. 04127088 and rider

xc with attachment:

Hobbs OCD Office

Sandra J. Shryack, IMA, Inc., P.O. Box 2992, Wichita, KA 67201-2992

FIDELITY AND DEPOSIT COMPANY

HOME OFFICE

OF MARYLAND

BALTIMORE, MD 20203

RIDER

To be attached to and form a part of Waste Management Facilities Bond No. 04127088
dated the 28th day of September, 20 00 issued by the FIDELITY AND DEPOSIT COMPANY OF
MARYLAND, as Surety, on behalf of Jenex Operating Company
_____ as Principal,
in the penal sum of Fifty Thousand & No/100 Dollars (\$50,000.00)
and in favor of State of New Mexico, Oil Conservation Division

In consideration of the premium charged for the attached bond, it is hereby agreed that the above referenced bond will be amended as follows:

The bond amount is increased to One Hundred Thousand & no/100 Dollars (\$100,000.00)

Provided, However, that the attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified, and further that the liability of the Surety under the attached bond and the attached bond as amended by this rider shall not be cumulative.

This rider shall become effective as of the 7th day of June, 20 02.

Signed, sealed and dated this 7th day of June, 20 02.

Jenex Operating Company

Principal

By: _____

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

By: _____

Sandra J. Shryack

Attorney-in-Fact

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
HOME OFFICE: P.O. BOX 1227, BALTIMORE, MD 21203-1227

Know ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by F. L. BORLEIS, Vice-President, and T. C. JOHNSON, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint **W. C. Cohen, Jr., Joseph C. Lukens, II, Scott T. Post, Richard K. Stone, Bret S. Burton, Jana M. Forrest, Patricia Brogan, Sandra J. Shryack and Erica M. Plummer, all of Wichita, Kansas, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings** and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of W. C. Cohen, Jr., Joseph C. Lukens, II, Scott T. Post, Richard K. Stone, Bret S. Burton, Jana M. Forrest, Patricia Brogan, and Sandra J. Shryack, dated September 3, 1999.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 27th day of June, A.D. 2000.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



T. C. Johnson

Assistant Secretary

By:

F. L. Borleis

Vice-President

State of Maryland }
County Of Harford } ss:

On this 27th day of June, A.D. 2000, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came F. L. BORLEIS, Vice-President and T. C. JOHNSON, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

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



Patricia A. Trombetti

Notary Public

My Commission Expires: October 9, 2002

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertaking, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company, this

7th day of June, 1992

S. D. Watts

Assistant Secretary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

November 14, 2000

CERTIFIED MAIL

RETURN RECEIPT NO. 7099-3220-0000-5051-1750

Mr. Gerald L. Jensen
Jenex Operating Company
621 17th Street
Suite 830
Denver, Colorado 80293

**RE: \$50,000 Surety Bond
Commercial Surface Waste Management Facility
Jenex Operating Company, Principal
Fidelity and Deposit Company of Maryland, Surety
Section 14, Township 20 South, Range 38 East, NMPM
Lea County, New Mexico
No. 04127088**

Dear Mr. Jensen:

The New Mexico Oil Conservation Division (NMOCD) has received the replacement bond No. 04127088 for the existing bond No. 124047699. The NMOCD hereby cancels the existing bond and approves the above-referenced Commercial Surface Waste Management Facility Surety Bond.

Sincerely,

Marilyn S. Hebert,
Legal Counsel

MSH:mjk

Enclosure: Copy Surety Bond No. 04127088 and Bond No. 124047699 and rider

xc with attachment:

Hobbs OCD Office
Sandra J. Shryack, IMA, Inc., P.O. Box 2992, Wichita, KA 67201-2992
Susie Gillam, CNA Company, Lighton Plaza, 7400 College Blvd., Suite 225, Overland Park, KS 66210

BOND NO. 04127088
(For Surety Company Use)

KNOW ALL MEN BY THESE PRESENTS:

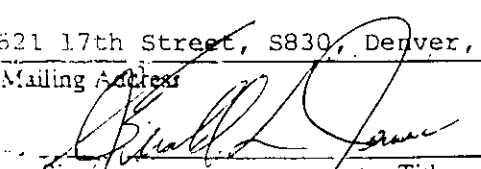
That Jenex Operating Company (an individual, partnership, or a corporation organized in the State of Colorado, with its principal office in the City of Denver, State of Colorado and authorized to do business in the State of New Mexico), as PRINCIPAL, and Fidelity and Deposit Company a corporation organized and existing under the laws of the State of Maryland, and authorized to do business in the State of New Mexico with duly appointed resident agent in the State of New Mexico to execute this bond on behalf of the surety company, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (the "Division") pursuant to Section 70-2-12 NMSA, 1978, (1995 Relp.) as amended in the sum of fifty-thousand (\$ 50,000.00) Dollars for the payment of which PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally.

The conditions of this obligation are such that:

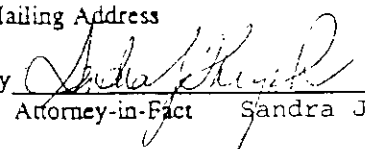
WHEREAS, the above principal has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, BS&W, tank bottoms, waste oil and/or other oil field related waste in Section 14, Township 20S, Range 38E, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$ 50,000.00 performance bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission, the Division, and upon clean-up of the facility site to standards of the Division; otherwise the principal amount of the bond to be forfeited to the State of New Mexico.

Signed and sealed this 28th day of September, 19^{XX} 2000.

Jenex Operating Company
Principal
621 17th Street, S830, Denver, CO 80202
Mailing Address

Signature Title
Gerald L. Jensen Secretary/Treasurer

Note: If Principal is a corporation, affix corporate seal here.

Fidelity and Deposit Company of Maryland
Surety
P.O. Box 1227, Baltimore, MD 21203
Mailing Address
By 
Attorney-in-Fact Sandra J. Shryack *

Note: If corporate surety, affix corporate seal here.

Note: If corporate surety executes this bond by an attorney-in-fact not in New Mexico, the resident New Mexico agent shall countersign here below. New Mexico no longer requires countersignature.

*Agent:
Insurance Management Associates, Inc.
P.O. Box 2992, Wichita, KS 67201-2992
(316) 266-6310

1. (For a natural person acting in his own right:)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____.

My commission expires:

Date

Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____, partner(s) on behalf of
_____, a partnership.

My commission expires:

Date

Notary Public

3. (For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 28th day of September, 2000,
by Jenex Operating Company
a corporation, on behalf of said corporation.

My commission expires:

Date My Commission Expires 08/08/2002

Beverly J. Licholat
Notary Public

NOTE: When Lessor is a partnership, corporation or association, list all partners, officers and directors as may be applicable. This information may be provided below.

APPROVED BY:
OIL CONSERVATION DIVISION

By: [Signature] 11/14/00

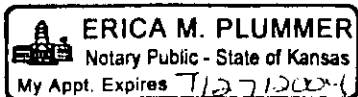
ACKNOWLEDGEMENT OF SURETY

STATE OF Kansas

COUNTY OF Sedgwick

On this 28th day of September, 2000, before me personally appeared
Sandra J. Shryack, to me known as the person described in and who executed the
foregoing instrument and acknowledged that (s)he executed the same as his/her free act and deed.

(Seal)



Erica M Plummer
Notary Public
My Commission expires 7/27/2004

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
HOME OFFICE: P.O. BOX 1227, BALTIMORE, MD 21203-1227

Know ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by F. L. BORLEIS, Vice-President, and T. C. JOHNSON, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint **W. C. Cohen, Jr., Joseph C. Lukens, II, Scott T. Post, Richard K. Stone, Bret S. Burton, Jana M. Forrest, Patricia Brogan, Sandra J. Shryack and Erica M. Plummer, all of Wichita, Kansas, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings** and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of W. C. Cohen, Jr., Joseph C. Lukens, II, Scott T. Post, Richard K. Stone, Bret S. Burton, Jana M. Forrest, Patricia Brogan, and Sandra J. Shryack, dated September 3, 1999.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 27th day of June, A.D. 2000.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



T. C. Johnson

T. C. Johnson Assistant Secretary

By: *F. L. Borleis*

F. L. Borleis Vice-President

State of Maryland }
County Of Harford } ss:

On this 27th day of June, A.D. 2000, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came F. L. BORLEIS, Vice-President and T. C. JOHNSON, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

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



Patricia A. Trombetti

Patricia A. Trombetti Notary Public
My Commission Expires: October 9, 2002

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertaking, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company, this

10th day of September, 1990

S. D. Matis

Assistant Secretary



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



November 4, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Jenex Operating Company
1433 - 17th Street
Suite 220
Denver, Co. 80202

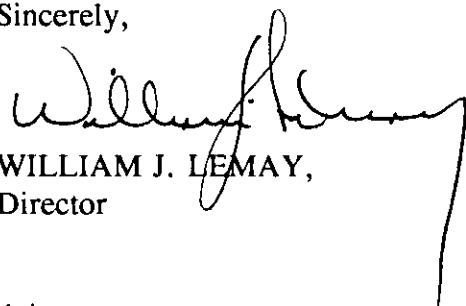
Attention: Gerald L. Jensen

Re: \$25,000 Treating plant Bond
Jenex Operating Company, Principal
Continental Casualty Company, Surety
Sec. 14, T-20-S, R-38-E,
Lea County

Dear Mr. Jensen:

The Oil Conservation Division hereby approves the above-referenced Treating Plant Bond.

Sincerely,


WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Santa Fe and Hobbs

NEW MEXICO OIL CONSERVATION DIVISION
OF THE ENERGY & MINERALS DEPARTMENT

\$25,000.00 TREATING PLANT BOND

BOND NO. 124047699
(For Use of Surety Company)

File with Oil Conservation Division, P. O. Box 2086, Santa Fe, New Mexico 87504
KNOW ALL MEN BY THESE PRESENTS:

That Jenex Operating Company, ~~CANXXXXXXXXXXXX~~
(~~XXXXXXXXXX~~) (a corporation organized in the State of Colorado
with its principal office in the City of Denver, State of Colorado
, and authorized to do business in the State of New Mexico), as
PRINCIPAL, and Continental Casualty Company, a corporation
organized and existing under the laws of the State of Illinois
and authorized to do business in the State of New Mexico with duly appointed resident
agent licensed in the State of New Mexico to execute this bond on behalf of the
surety company, as SURETY, are held firmly bound unto the State of New Mexico, for
the use and benefit of the Oil Conservation Division of the Energy & Minerals
Department pursuant to Chapter 72, Laws of New Mexico, 1979, as amended, and to the
State of New Mexico in the sum of Twenty Five Thousand (\$25,000.00) 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 the
process of treating and reclaiming sediment oil in Section 14, Township 20
~~XXXXX~~ (North) (South), Range 38 (East) ~~XXXXX~~ (West), N.M.P.M., Lea County, New
Mexico.

NOW, THEREFORE, This \$25,000 performance bond is conditioned upon substantial
compliance with all applicable statutes of the State of New Mexico and all rules,
regulations, and orders of the Oil Conservation Division of the Energy and Minerals
Department, and upon clean-up of the plant site to standards of the Oil Conservation
Division; otherwise the principal amount of the bond to be forfeited to the State of
New Mexico.

PROVIDED, HOWEVER, That sixty (60) days after receipt by the Oil Conservation
Division of written notice of cancellation from the Surety, the obligation of the
Surety shall terminate as to activities or operations conducted by PRINCIPAL after
said sixty (60) day period but shall continue in effect, notwithstanding said notice,
as to such activities or operations conducted or commenced before the expiration of
the sixty day period.

Signed and sealed this 28th day of October, 19 93.

Jenex Operating Company
PRINCIPAL
1433-17th Street, Suite 220
Denver, CO 80202

Mailing Address

Continental Casualty Company
SURETY
CNA Plaza, Chicago, Illinois 60685

Mailing Address

By Gerald L. Jensen Title Secretary/Treasurer

By Douglas J. Rozhey Attorney-in-Fact

(Note: Principal, if corporation
Affix corporate seal here.)

(Note: Corporate surety affix corporate
seal here.)

filed
10-20-93

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF _____)
COUNTY OF _____) ss.

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 _____

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF Colorado)
COUNTY OF Denver) ss.

On this 28th day of October, 1993, before me personally appeared Gerald L. Jensen, to me personally known who, being by me duly sworn, did say that he is Secretary/Treasurer of Jenex Operating 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.

September 8, 1995

My Commission expires _____

Notary Public

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By _____

Date _____



POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Robert L. Cohen, Conrad W. Pobuda, Theresa M. Fadul, Gerald J. Hayes,
Douglas J. Rothery, Individually

of Denver, Colorado

Its true and lawful Attorney-in-fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The President or a Vice President may, from time to time, appoint by writtencertificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 3rd day of April, 1957.

"Resolved, that the signature of the President or Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 18th day of February, 1993.

CONTINENTAL CASUALTY COMPANY

State of Illinois) ss
County of Cook)

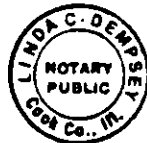


J. E. Purtell

J. E. Purtell

Vice President.

On this 18th day of February, 1993, before me personally came J. E. Purtell, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Glenview, State of Illinois; that he is a Vice-President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey

Linda C. Dempsey

Notary Public.

My Commission Expires October 19, 1994

CERTIFICATE

I, George R. Hobaugh, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of Article IX of the By-Laws of the Company and the Resolution of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said Company this 28th day of October, 1993.



George R. Hobaugh

George R. Hobaugh

Assistant Secretary

INSURANCE FROM

CNA

Offices/Chicago, Illinois

INCREASE - DECREASE RIDER

To be attached to and made a part of Bond No. 124047699 issued by the Continental Casualty Company (hereinafter called the Surety), on behalf of Jenex Operating Company (hereinafter called the Principal), in favor of State of New Mexico (hereinafter called the Oblige), and dated the 28th day of October 19 93.

In consideration of the premium charged for the attached bond and other good and valuable consideration it is understood and agreed that effective the 14th day of October 19 97 and subject to all the terms, conditions and limitations of the attached bond, the penal sum thereof shall be and the same is hereby (increased) from the sum of Twenty Five Thousand & No/100 Dollars (\$25,000.00) to the sum of Fifty Thousand & No/100 Dollars, (\$50,000.00).

It is further understood and agreed that subject to all the terms, conditions and limitations of the attached bond, the aggregate liability of the Surety for any loss occurring prior to said date shall not exceed the sum of Twenty Five Thousand & No/100 Dollars, (\$25,000.00----) or for any loss occurring subsequent to said date shall not exceed the sum of Fifty Thousand & No/100 Dollars, (\$50,000.00). In no event, however, shall the aggregate liability of the Surety exceed the larger of the aforementioned sums, it being the intent hereof to preclude cumulative liability.

Signed, sealed and dated this 14th day of October, 19 97.

Jenex Operating Company

By: [Signature]

Title

The above is hereby agreed to and accepted:

EMNRD, Oil Conservation Division

By: [Signature]

Martyne J. Kieling, Envir. Geologist

Continental Casualty Company

By: [Signature]

Sandra J. Shryack, Attorney-In-Fact

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That CONTINENTAL CASUALTY COMPANY, an Illinois corporation, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a Connecticut corporation, AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, a Pennsylvania corporation (herein collectively called "the CNA Surety Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signature and seals herein affixed hereby make, constitute and appoint W. C. Cohen, Jr., Joseph C. Lukens, II, Roberta I. Heorman, Scott T. Post, Richard K. Stone, James E. Sloan, Bret S. Burton, Jana M. Forrest, Sandra J. Shyrack, Individually

of Wichita, Kansas

their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Laws and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CNA Surety Companies have caused these presents to be signed by their Group Vice President and their corporate seals to be hereto affixed on this 2nd day of April, 1997.



CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

M.C. Vonnahme

Group Vice President

State of Illinois, County of Cook, ss:

On this 2nd day of April, 1997, before me personally came M. C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



My Commission Expires March 6, 2000

Mary Jo Abel

Notary Public

CERTIFICATE

I, Robert E. Ayo, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of each corporation printed on the reverse hereof are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seals of the said corporations this 14th day of October, 1997.



CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

Robert E. Ayo

Assistant Secretary



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 13, 1988

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Petroleum Processing, Inc.
P. O. Box 5296
Hobbs, New Mexico 88241

Re: \$10,000 Treating Plant Bond
Petroleum Processing, Inc., Principal
Employers' Casualty Company, Surety
Bond No. B-364728

Gentlemen:

In checking our records, I note that you have a \$10,000 Treating Plant Bond on file in this office. I am enclosing a copy of our Order No. R-8284 which states that all treating plant bonds must be replaced with \$25,000 bonds by January 1, 1988. To date, we have not received your replacement bond.

Since this is a violation of the Oil Conservation Division Rules and Regulations, we would appreciate your taking care of this matter immediately. Please advise me no later than January 28th as to when I may expect to receive your replacement bond.

Thank you.

Sincerely,

DIANA RICHARDSON
Administrator
Bonding Department

enclosure

cc: OCD - Hobbs