

NM1 - 24

BONDS



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

May 18, 2004

Mr. Prather
Chaparral Treating Plant
P.O. Box 1769
Eunice, NM 88231

**RE: \$25,000 Surety Bond for Commercial Surface Waste Management Facility
Permit NM-01-0024
Chaparral Treating Plant, Principal
RLI Insurance Company, Surety
NW/4 NE/4, Section 17, Township 23 South, Range 37 East, NMPM,
Lea County, New Mexico
Bond No. RLB0006533 and Rider dated November 10, 2003**

Dear Mr. Prather:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility bond rider number one (1) dated November 10, 2003 changing the Surety to RLI Insurance Company and bond number from BO5260 to RLB0006533.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gail MacQuesten".

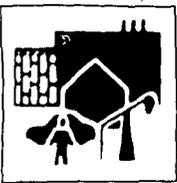
Gail MacQuesten
Assistant General Counsel

GM:mjk

Enclosure: Copy of bond No. (BO5260) RLB0006533 and rider No. 1

xc with attachment:

Hobbs OCD Office
Greg E. Chilson, RLI Insurance Company, 8 Greenway Plaza, Suite 400, Houston, TX 77046



Leavell Insurance, Inc.

P.O. Box 1889

902 Main

Eunice, New Mexico 88231

PHONE (505) 394-2514

FAX (505) 394-2654

April 6, 2004

Chaparral Treating Plant
PO Box 1769
Eunice, NM 88231

RE: Rider for Bond #UIB0005260

Dear Mr. Prather:

Please find attached a rider on the above-mentioned bond changing the bond number from UIB0005260 to RLB0006533. The bonding company made this change due to the fact that Underwriter's Indemnity has been purchased by RLI Insurance Co.

Please sign the attached rider in the marked spot and forward it to the State of New Mexico. Be sure to include the enclosed copy of the letter regarding RLI Insurance Company becoming Surety on all of Underwriters Indemnity Company's previously issued bonds when forwarding the bond to the Obligee. It would be greatly appreciated if you would make a copy of the signed rider for our file. Please hold this rider until close to the effective date of 5/17/04 before sending to the Obligee for filing. Otherwise some Obligees will reject the rider and it will have to be redone.

If you have any questions, please call.

Sincerely,

Jackie Miller

jm/

Enclosure: as stated

RECEIVED

MAY - 7 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RIDER NO. 1

Attaching to and forming part of Treating Plant, Bond No. BO5260, executed May 17, 1995, on behalf of Chaparral Treating Plant as Principal, in favor of the State of New Mexico as Obligee, in the amount of Twenty Five Thousand and No/100 Dollars (\$25,000.00).

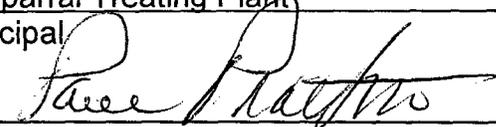
It is understood and agreed that effective May 17, 2004, the Surety Company on the above referenced bond is amended to read **RLI Insurance Company**.

It is also understood and agreed that effective May 17, 2004, the bond number for the above referenced bond is amended from BO5260 to RLB0006533.

All other conditions and terms to remain as originally written or previously changed by rider.

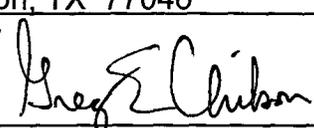
Signed, sealed and dated this 10th day of November, 2003.

Chaparral Treating Plant
Principal

By: 

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046

Surety

By: 

Greg E. Chilson, Attorney-in-Fact



9025 North Lindbergh Dr. • Peoria, IL 61615
(309) 692-1000 or (800) 645-2402

RLB0006533

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: GREG E. CHILSON

in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$25,000.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity; policies indemnifying employers against loss or damage caused by the misconduct of their employees, official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

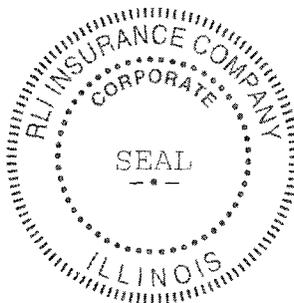
(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT with its corporate seal affixed this

ATTEST:

Camille J. Hensey

Corporate Secretary



RLI INSURANCE COMPANY

By: Jonathan E. Michael

President

State of Illinois)
) SS
County of Peoria)

On this 10 day of Nov. 2003 before me, a Notary Public, personally appeared Jonathan E. Michael and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cherie L. Montgomery
Notary Public



UNDERWRITERS INDEMNITY COMPANY
(Now Known As Lexon Insurance Company)

April 30, 2003

TO UNDERWRITERS INDEMNITY COMPANY BOND PRINCIPALS & OBLIGEEES:

We want to take this opportunity to let you know about some important changes that are happening at Underwriters Indemnity Company ("UIC").

As you may know, since 1999, UIC has been part of the RLI Corp. family. RLI Corp. is a New York Stock Exchange listed company that operates its insurance business through a variety of affiliated insurance companies. RLI Corp.'s flagship insurance company is RLI Insurance Company, an A, IX, A.M. Best rated insurer.

Effective April 30, 2003, RLI Insurance Company assumed all of UIC's obligations under bonds and any policies of insurance it issued. As a result, Underwriters Indemnity Division of RLI Insurance Company is now the surety on all of UIC's previously issued bonds and the insurer on any policy of insurance. In addition, any obligations under indemnity agreement entered into with UIC are now owed to RLI Insurance Company.

You should also be aware that UIC has changed its name to Lexon Insurance Company. This assumption by RLI Insurance Company is in anticipation of Lexon Insurance Company coming under new ownership outside the RLI Corp. family in the near future.

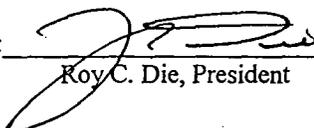
These changes will not affect the service you have come to expect. Any questions should still be directed to my attention at the following address:

Roy C. Die, Vice President
Underwriters Indemnity Division of
RLI Insurance Company
8 Greenway Plaza Ste. 400
Houston, Texas 77046
713.961.1300 Telephone
800.223.2293 Toll Free Telephone
713.961.0285 Fax

Unless we hear from you in writing at the above address prior to September 15, 2003, we will assume that you have agreed to the assumption of UIC obligations by RLI Insurance Company.

Very truly yours,

UNDERWRITERS INDEMNITY COMPANY
(Now Known As Lexon Insurance Company)

By: 
Roy C. Die, President

NEW MEXICO OIL CONSERVATION DIVISION
OF THE ENERGY & MINERALS DEPARTMENT

\$25,000.00 TREATING PLANT BOND

BOND NO. B05260
(For Use of Surety Company)

OIL CONSERVATION DIVISION
RECEIVED

'95 JUN 6 AM 8 52

File with Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504

KNOW ALL MEN BY THESE PRESENTS:

That Chaparral Treating Plant, (an individual) ~~partnership~~ ~~corporation~~ organized in the State of New Mexico, with its principal office in the City of Eunice, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Underwriters Indemnity Company, a corporation organized and existing under the laws of the State of Texas, 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, 1935, 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 17, Township 23 (~~North~~) (~~South~~), Range 37 (~~East~~) (~~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 17th day of May, 19 95.

Chaparral Treating Plant
PRINCIPAL
P.O. Box 1769
Eunice, NM 88231
Mailing Address
By [Signature] Owner
Signature Title

Underwriters Indemnity Company
SURETY
8 Greenway Plaza, Suite 400
Houston, TX 77046
Mailing Address
By [Signature]
Attorney-in-Fact Roy C. Die

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

(Note: 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.)

Countersigned by:

Glenn H. Danford
New Mexico Resident Agent

P.O. BOX 1889, EUNICE, NM 88231
Address

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

On this 24th day of MAY, 1995, before me personally appeared GLENN H. DANFORD, 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 he (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.

Bonnie L. Vance
Notary Public

08/07/96
My Commission Expires:

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____, to me personally known who, being by me duly sworn, did say that he is _____ of _____ 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.

Notary Public

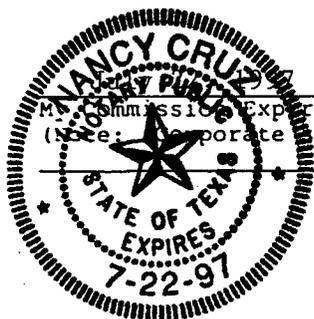
My Commission Expires

STATE OF Texas)
) ss.
COUNTY OF Harris)

On this 17th day of May, 1995, before me appeared Roy C. Die, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of Underwriters Indemnity 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.

Nancy Cruz
Notary Public Nancy Cruz



My Commission Expires:
(Note: Corporate surety attach power of attorney)

APPROVED BY:
OIL CONSERVATION DIVISION

By [Signature]

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:

*****FIFTY THOUSAND AND NO/100***** 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 cerified to and may be revoked, pursuant to and by authority of Article V, Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

- "The President or any Vice President, Assistant Vice President, Secretary or Resident 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 By-laws 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 at a meeting duly called and held on the 23rd day of January, 1985, 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 third day of September, 1991.



E.H. Frank III President

STATE OF TEXAS COUNTY OF HARRIS

On this the 3rd day of September, 1991, 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.



Mary Williams 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 17th day of MAY, 19 95



Greg E. Chilson Assistant Secretary Greg E. Chilson

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.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 8, 1995

Chaparral Treating Plant
PO Box 1769
Eunice, NM 88231

Attention: Paul Prather

Re: \$25,000 Treating Plant Bond
Chaparral Treating Plant, Principal
Underwriters Indemnity Co., Surety
Sec. 17, T-23-S, R-37-E, Lea County
Bond No. BO 5260

Dear Mr. Prather:

The Oil Conservation Division hereby approves the above-referenced treating plant bond.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Hobbs, New Mexico

Underwriters Indemnity Co.

OIL CONSERVATION DIVISION
RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION
OF THE ENERGY & MINERALS DEPARTMENT

'95 MAR 31 AM 8 52

\$25,000.00 TREATING PLANT BOND

BOND NO. B05260
(For Use of Surety Company)

File with Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504

KNOW ALL MEN BY THESE PRESENTS:

That Chaparral Treating Plant, (an individual) ~~partnership~~ ~~tax corporation~~ organized in the State of New Mexico, with its principal office in the City of Eunice, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Underwriters Indemnity Company, a corporation organized and existing under the laws of the State of Texas, 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, 1935, 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 17, Township 23 (North) (South), Range 37 (East) (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.

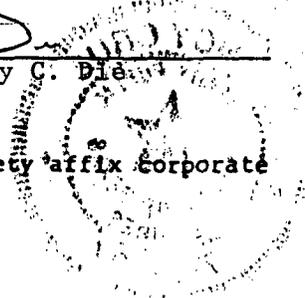
Signed and sealed this 17th day of May, 19 95.

Chaparral Treating Plant
PRINCIPAL
P.O. Box 1769
Eunice, NM 88231
Mailing Address
By [Signature] Owner
Signature Title

Underwriters Indemnity Company
SURETY
8 Greenway Plaza, Suite 400
Houston, TX 77046
Mailing Address
By [Signature] Roy C. Diehl
Attorney-in-Fact

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

(Note: 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 counter sign here below.)

Countersigned by:

Glenn H. Danford
New Mexico Resident Agent

P.O. BOX 1889, EUNICE, NM 88231
Address

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

On this 24th day of MAY, 1995, before me personally appeared GLENN H. DANFORD, 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 he (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.

Bonnie L. Vance
Notary Public

08/07/96
My Commission Expires:

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____, to me personally known who, being by me duly sworn, did say that he is _____ of _____ 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.

Notary Public

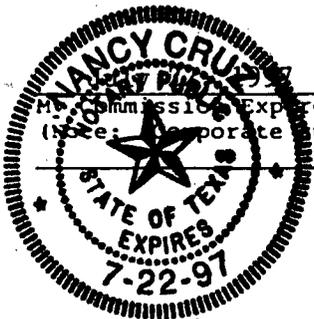
My Commission Expires

STATE OF Texas)
) ss.
COUNTY OF Harris)

On this 17th day of May, 1995, before me appeared Roy C. Die, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of Underwriters Indemnity 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.

Nancy Cruz
Notary Public Nancy Cruz



My Commission Expires:
(Note: Corporate surety attach power of attorney)

APPROVED BY:
OIL CONSERVATION DIVISION

By _____

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:

*****FIFTY THOUSAND AND NO/100 DOLLARS*****

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 Article V, Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

- "The President or any Vice President, Assistant Vice President, Secretary or Resident 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 By-laws 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 at a meeting duly called and held on the 23rd day of January, 1985, 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 third day of September, 1991.



E.H. Frank III President

STATE OF TEXAS
COUNTY OF HARRIS

On this the 3rd day of September, 1991, 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.



Mary Williams 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 17th day of May, 19 95



Greg E. Chilson Assistant Secretary
Greg E. Chilson

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.