



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

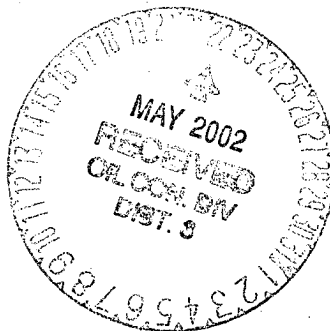
May 16, 2002

Lori Wrotenbery
Director
Oil Conservation Division

30-045-08442

Bank of America, Inc., N.A. Trade Operations
Mail Code CA9-703-19-09
333 S. Beaudry Avenue, 19th Floor
Los Angeles, CA 90017
Attn: Standby Letter of Credit Dept.

Re: \$5,000 Letter of Credit No. 3048262
Earnest R. Smith, Sr., Principal
Bank of America- Los Angeles, CA – Issuer
Claude Smith No. 1 – 790' FSL and 790' FWL
Section 8, Township 29 North, Range 11 West,
San Juan County, NM
Bond No. 034000038



Dear Sir/Madam:

The New Mexico Oil Conservation Division hereby approves the above-captioned Letter of Credit No. 3048262.

Sincerely,

DAVID K. BROOKS
Assistant General Counsel

DKB/dp

cc: Oil Conservation Division – Aztec, NM

Earnest R. Smith, Sr.
40758 Jasper Drive
Kingsburg, CA 93631

30-045-08442

Private

1-2000

209-897-2560