

**GTLT - \_\_\_\_\_ 3 \_\_\_\_\_**

**BONDS**



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

November 17, 1993



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

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

Rosette Inc.  
P. O. Box 265A  
Animas, New Mexico 88020

Attention: Dale Burgett

Re: \$10,000 Multiple-Well Low-Temperature  
Well or Geothermal Observation Well Bond  
Rosette Inc., Principal  
American Bonding Company, Surety  
Bond No. 9360094

Dear Mr. Burgett:

The Oil Conservation Division hereby approves the above-referenced multi-well bond effective November 15, 1993.

Sincerely,

A handwritten signature in cursive script that reads "William J. Lemay".

WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Santa Fe - Roy Johnson



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

January 6, 2003

Underwriters Insurance Company  
100 Pearl Street, 16<sup>th</sup> Floor  
Hartford, CT 06103-4506  
Attn: Takeshia L. Daniels, Attorney-in-Fact

Re: \$10,000 Geothermal Multiple- Well-Low Temperature Well  
Or Geothermal Observation Well Bond  
Rosette, Inc., Principal  
Redland Insurance Co., Surety  
Bond No. 1010809

Dear Ms. Daniels:

The New Mexico Oil Conservation Division hereby acknowledges receipt of and approves the rider to the above-captioned Geothermal Bond changing the surety to **Underwriters Insurance Company** and the Bond No. to **40022832**.

Sincerely,

Handwritten signature of David K. Brooks in cursive.

DAVID K. BROOKS  
Assistant General Counsel

DKB/dp

cc: Oil Conservation Division – Santa Fe

Rosette, Inc.  
P.O. Box 265A  
Animas, NM 87501

# Underwriters Insurance Company

## Substitution of Surety Rider

TO BE ATTACHED to and form a part of Bond No. RED1010809

Type of Bond: WELL DRILLING/CAPPING

In the amount of TEN THOUSAND AND NO/100 Dollars (\$ 10,000.00)

issued by **REDLAND INSURANCE COMPANY**, as Surety, on behalf of

ROSETTE, INC. as Principal, of PO BOX 265A ANIMAS NM 88020 in favor of, STATE OF NM OIL CONSERVATION DIVISION PO BOX 2088 SANTA FE, NM 87501.

It is understood and agreed that the bond described above is hereby modified so as to state that from and after 12:01 AM on  / / **UNDERWRITERS INSURANCE COMPANY**, a Nebraska corporation, shall assume all the rights, obligations, and responsibilities of **SURETY** from and after the date above stated. It is further expressly understood and agreed that the aggregate liability of **UNDERWRITERS INSURANCE COMPANY** and **REDLAND INSURANCE COMPANY** under said bond shall not exceed the amount stated above.

**IT IS FURTHER AGREED THAT THE BOND NO. IS CHANGED TO** 40022832.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, agreements, conditions or limitations of the above mentioned bond, other than as stated above.

SIGNED, SEALED AND DATED November 21, 2002.

REDLAND INSURANCE COMPANY

UNDERWRITERS INSURANCE COMPANY

BY: Michael Gottschalk  
Michael Gottschalk, Chief Legal Counsel

BY: Takeshia L. Daniels  
Takeshia L. Daniels, Attorney-in-Fact

All correspondence regarding this rider should be addressed to:

UNDERWRITERS INSURANCE COMPANY  
100 Pearl Street, 16th Floor  
Hartford, CT 06103-4506  
(860) 241-2001 (888) 244-3980 FAX (860) 527-8627

UNDERWRITERS INSURANCE COMPANY  
POWER OF ATTORNEY

40022832

KNOW ALL MEN BY THESE PRESENTS, That UNDERWRITERS INSURANCE COMPANY, a corporation of the State of Nebraska, having its principal offices in the City of Madison, Wisconsin, does make, constitute and appoint

TAKESHIA L. DANIELS OF HARTFORD, CONNECTICUT

its true and lawful Attorney(s)-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, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED 1,000,000.00\*\*\*

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of UNDERWRITERS INSURANCE COMPANY on the 8th day of January, 2002:

**RESOLVED**, that the President and Vice President, the Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more vice-presidents, assistant secretaries and attorney(s)-in-fact, each appointee to have the powers and duties usual to such offices to the business of the Corporation; the signature of such officers and the seal of the Corporation may be affixed to such power of attorney or to 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 Corporation in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time.

IN WITNESS WHEREOF, UNDERWRITERS INSURANCE COMPANY has caused its official seal to be hereunto affixed, and these presents to be signed by its President this 8th day of January, 2002.

Attest:

UNDERWRITERS INSURANCE COMPANY

Jefferson W. Kirby  
Secretary

David Pauly  
President



STATE OF WISCONSIN

s.s.: Madison

COUNTY OF DANE

On this 8th day of January, A.D., 2002 before me personally came David Pauly, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Dane, State of Wisconsin; that he is the President of UNDERWRITERS INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

STATE OF WISCONSIN

s.s.: Madison

COUNTY OF DANE

UNDERWRITERS INSURANCE COMPANY



Jane F. Endres  
Notary Public, Dane Co., WI  
My Commission Expires March 23, 2003

I, the undersigned, duly elected to the office stated below, now the incumbent in UNDERWRITERS INSURANCE COMPANY a Nebraska corporation authorized to make this certificate, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney, is now in force.

Signed and sealed at the city of Hartford, in the State of Connecticut, dated the 21st day of November, 2002

Richard W. Allen, III  
Vice-President

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON GREY SHADED BACKGROUND WITH A RED SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER. THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK-HOLD AT AN ANGLE TO VIEW. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT YOU ARE URGED TO CONTACT OUR POWER OF ATTORNEY CUSTODIAN AT 1-800-394-7806.

# CAPITOL INDEMNITY CORPORATION

100 Pearl Street, 16th Floor - Hartford, CT 06103-4506  
(860) 241-2001 (888) 244-3980 FAX (860) 527-8627

## BOND EXECUTION REPORT

BOND NUMBER:	RED1010809
REDLAND INSURANCE COMPANY	
PREPARED	11/21/2002

PRODUCER: 19322 BR: 10
CONNECTICUT SURETY INSURANCE AGENCY - 12 100 PEARL ST. 16TH FLOOR DIRECT BILL HARTFORD, CT 06103 4506
PRINCIPAL:
ROSETTE, INC.  PO BOX 265A  ANIMAS, NM 88020
OBLIGEE: 0
STATE OF NM OIL CONSERVATION DIVISION PO BOX 2088  SANTA FE, NM 87501
TYPE OF BOND 17 - 30 - 3220 - 1 - 849 S
WELL DRILLING/CAPPING  PROGRAM 9000: ABC Specialty Program (Bonds II, Inc.)

BOND AMT.	\$	10,000.00-
CONTRACT AMT.	\$	

ACTIVITY:	<b>Cancellation</b>
Reason:	BOND REWRITE

Transaction Effective: 11/04/2002		
TERM	FROM: 11/04/2001	TO: 11/04/2002

CHARGES		
STD. PREMIUM:	\$	0.00
SURCHARGE:	\$	

PAYMENT	
RECEIVED:	\$
TYPE OR CHECK NO.	
NET AMOUNT DUE:	\$

The cancellation is effective 11/04/2002.

CUSTOMER COPY

# CAPITOL INDEMNITY CORPORATION

100 Pearl Street, 16th Floor - Hartford, CT 06103-4506  
(860) 241-2001 (888) 244-3980 FAX (860) 527-8627

## BOND EXECUTION REPORT

BOND NUMBER:	40022832
UNDERWRITERS INSURANCE COMPANY	
PREPARED	11/21/2002

PRODUCER: 19322 BR: 10
CONNECTICUT SURETY INSURANCE AGENCY - 12 100 PEARL ST. 16TH FLOOR DIRECT BILL HARTFORD, CT 06103 4506
PRINCIPAL:
ROSETTE, INC. P.O. BOX 265A ANIMAS, NM 88020
OBLIGEE: 0
STATE OF NM OIL CONSERVATION DIVISION P.O. BOX 2088 SANTE FE, NM 87501
TYPE OF BOND 27 - 30 - 3220 - 1 - 849 M
WELL DRILLING/CAPPING

BOND AMT.	\$	10,000.00
CONTRACT AMT.	\$	

ACTIVITY:	New Bond
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TERM	FROM:11/04/2002	TO:11/04/2003
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CHARGES		
MRT. PREMIUM:	\$	250.00
SURCHARGE:	\$	

PAYMENT		
RECEIVED:	\$	250.00-
TYPE OR CHECK NO.	CMC	
	5466-3200-1314-5352	
NET AMOUNT DUE:	\$	

IMPORTANT MESSAGE: REPLACING RED1010809
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CUSTOMER COPY



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

May 30, 1995

Rosette Incorporated  
PO Box 265A  
Animas, NM 88020

Attention: Jerry A. Malone

Re: \$10,000 Multiple-Well Low-Temperature  
Geothermal Bond

Dear Mr. Malone:

I am in receipt of the replacement geothermal bond. In checking this bond I note that you did not sign the bond on page two, upper left-hand corner and that the "Acknowledgement Form for Corporation" was not notarized. Also, please have your insurance company issue a bond number for this bond.

Just as soon as you return the completed bond, I will proceed with its approval and the cancellation of your bond No. 9360094.

Sincerely,

A handwritten signature in cursive script that reads "Diane Richardson".

DIANE RICHARDSON  
Administrator  
Bond Department

Enclosure - bond

*The BOND # IS ON LAST PAGE*

*RED 1010809*

STATE OF NEW MEXICO  
 \$10,000 MULTIPLE-WELL LOW-TEMPERATURE WELL  
 OR GEOTHERMAL OBSERVATION WELL BOND

Form GN-LT-10  
 Adopted 10-1-74  
 Revised 10-1-78

BOND NO. \_\_\_\_\_  
 (For Use of Surety Company)

Note: File with Oil Conservation Division, P. O. Box 2088, Santa Fe, NM 87501

BOND # 1010809

KNOW ALL MEN BY THESE PRESENTS:

That Rosette Inc., (An individual) (a partnership)  
 (a corporation organized in the State of New Mexico, with its principal office in that city of  
Animas, State of New Mexico, and authorized to do business in  
 the State of New Mexico), as PRINCIPAL, and  Redland Insurance Company, a  
 corporation organized and existing under the laws of the State of Iowa, 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 New Mexico pursuant to Chapter 272, Laws of 1975, in  
 the sum of Ten Thousand (\$10,000.00) 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 geothermal resources leases with the  
 State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into geothermal resources leases on lands  
 patented by the United States of America to private individuals, and on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or  
 may commence the drilling of wells to prospect for and produce geothermal resources, or does own or may acquire, own  
 or operate such wells, or such wells stated by others on land embraced in said State geothermal resources leases, and on  
 lands patented by the United States of America to private individuals, and on lands otherwise owned by private  
 individuals, the identification and location of said wells being:

Lease	Well Number	Unit Letter	Section	Township	Range
GTR 302	1, 2, 3, 4, 5	O, P	6	25s	19E
GTR 303	6, 7, 8, 9, 10	E, I, M	5	25s	19E
Any combinations of a plugging bond totaling no more than \$10,000.00					
on these two leases.					
Bonding Requirement for wells 0'-500': \$1,000 each.					
Bonding Requirement for wells 500'-2000': \$2,000 each.					

(NOTE: A maximum of TEN wells may be drilled or acquired under this bond. If the identification and location of all  
 the wells is not known at the time of filing this bond with the Division, the identification and location may be  
 furnished by supplemental rider or riders to this bond.)

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or  
 any of them, shall plug all of said wells if non-productive or when abandoned in accordance with the rules, regulations,  
 and orders of the Oil Conservation Division of New Mexico in such way as to confine any geothermal resources or oil,  
 gas, and water in the strata in which they are found, and to prevent them from escaping into other strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with  
 any and all of said obligations, the same shall remain in full force and effect.

PROVIDED, HOWEVER, That thirty (30) days after receipt by the Oil Conservation Division of New Mexico of  
 written notice of cancellation from the surety, the obligation of the surety hereunder shall terminate as to property or  
 wells acquired, drilled, or started after said thirty (30) day period but shall continue in effect, notwithstanding said  
 notice, as to property or wells theretofore acquired, drilled, or started.

Rosette Incorporated  
PRINCIPAL

x Redland Insurance Company  
SURETY

P.O. Box 265A Animas, NM 88020

By Jerry A. Malone  
Signature  
Jerry A. Malone, President  
Title

By Donna D. Herring  
Attorney-in-Fact  
Donna D. Herring

(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:

Aulo J. Thomas  
New Mexico Resident Agent

2900 Kentucky NE ALB NM 87110  
Address

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF New Mexico )  
COUNTY OF Hidalgo ) ss.

On this 4th day of JUNE, 1995, before me personally appeared Jerry A. Malone, President, Rosette, Inc, A.M.D. 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

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF New Mexico )  
COUNTY OF Hidalgo ) ss.

On this 4th day of JUNE, 1995, before me personally appeared Jerry Malone, to me personally known who, being by me duly sworn, did say that he is president of Rosette Inc. 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

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF ARKANSAS )  
COUNTY OF PULASKI ) ss.

On this Fifth day of November, 1994, before me appeared Donna D. Herring, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-fact of Redland Insurance 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 my hand and seal on the day and year in this certificate first above written.

Notary Public

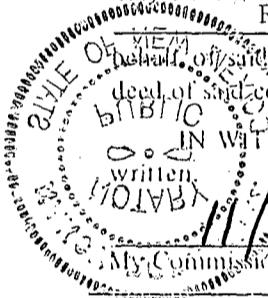
**MY COMMISSION EXPIRES AUG. 28, 2001**

My Commission expires

(Note: Corporate surety attach power of attorney.)

APPROVED BY:  
OH CONSERVATION COMMISSION OF NEW MEXICO

BY [Signature]



REDLAND INSURANCE COMPANY  
POWER OF ATTORNEY

RED1010809

KNOW ALL MEN BY THESE PRESENTS, THAT REDLAND INSURANCE COMPANY does hereby make, constitute and appoint  
**Mark C. Felling\*\*Donna D. Herring\*Gregory E. Nash**  
its true and lawful Attorney-in-Fact, to make, execute and deliver on its behalf Surety bonds, undertakings and other instruments of similar nature as follows:  
**without limitation as to amount or type**

This Power of Attorney is granted and sealed under and by the authority of the following Resolution adopted by the Board of Directors of the Company on the 18th day of October, 1993.

**RESOLVED**, that the Chairman of the Board, the President, an Executive Vice-President or a Vice-President be, and that each of them is, authorized to execute Powers of Attorney qualifying the Attorney-in-Fact named in the given Power of Attorney to execute in behalf of the Company bonds, undertakings, and other instruments of similar nature, and said officers may rename any such Attorney-in-Fact or agent and revoke any Power of Attorney previously granted to such person.

**FURTHER RESOLVED**, that an Assistant Secretary be, and that each or any of them hereby is, authorized to attest the execution of any such Power of Attorney, and to attach thereto the seal of the Company.

**FURTHER RESOLVED**, that the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney, or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with respect to any bond, undertaking or instruments of similar nature to which it is attached.

**IN WITNESS WHEREOF**, REDLAND INSURANCE COMPANY has caused its official seal to be hereunto affixed, and these presents to be signed by its President this 18th day of October, 1993.

Attest



JOSEPH G. SMITH  
Assistant Secretary

REDLAND INSURANCE COMPANY

By



JOHN P. NELSON  
President

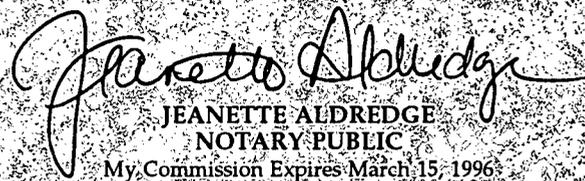


STATE OF IOWA

s.s. Council Bluffs

COUNTY OF POTTAWATTAMIE

On this 18th day of October, 1993 before me personally came John P. Nelson, to me known, who being by me duly sworn, did depose and say that he is President of REDLAND INSURANCE COMPANY the corporation described in and which executed the above instrument, that he knows the seal of the said corporation, that the seal affixed to the said instrument is such corporate seal, that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

  
JEANETTE ALDREDGE  
NOTARY PUBLIC  
My Commission Expires March 15, 1996

I, the undersigned, Vice President of REDLAND INSURANCE COMPANY an Iowa corporation, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked, and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney, is now in force.

Signed and sealed at the City of Council Bluffs, in the State of Iowa, dated the 5th day of November, 1994

  
ROGER D. STORDAHL  
Vice President

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON A GREY SHADED BACKGROUND WITH A RED SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT YOU ARE URGED TO CONTACT REDLAND INSURANCE COMPANY AT C/O 80 OLD STATE HOUSE SQUARE, P.O. BOX 231496, HARTFORD, CONNECTICUT 06123-1496 OR CALL OUR POWER OF ATTORNEY CUSTODIAN AT (203) 527-7806

## Underwriters Insurance Company

### Substitution of Surety Rider

TO BE ATTACHED to and form a part of Bond No. RED1010811

Type of Bond: WELL DRILLING/CAPPING

In the amount of SEVEN THOUSAND AND NO/100 Dollars (\$ 7,000.00)  
issued by **REDLAND INSURANCE COMPANY**, as Surety, on behalf of  
ROSETTE INC as Principal, of PO BOX 265A ANIMAS NM 88020 in favor of, STATE OF NEW  
MEXICO PO BOX 2088 SANTA FE, NM 87501.

It is understood and agreed that the bond described above is hereby modified so as to state that from and after 12:01 AM on / / **UNDERWRITERS INSURANCE COMPANY**, a Nebraska corporation, shall assume all the rights, obligations, and responsibilities of SURETY from and after the date above stated. It is further expressly understood and agreed that the aggregate liability of **UNDERWRITERS INSURANCE COMPANY** and **REDLAND INSURANCE COMPANY** under said bond shall not exceed the amount stated above.

**IT IS FURTHER AGREED THAT THE BOND NO. IS CHANGED TO** 40036756.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, agreements, conditions or limitations of the above mentioned bond, other than as stated above.

SIGNED, SEALED AND DATED December 9, 2002.

REDLAND INSURANCE COMPANY

UNDERWRITERS INSURANCE COMPANY

BY: Michael Gottschalk  
Michael Gottschalk, Chief Legal Counsel

BY: Takeshia L. Daniels  
Takeshia L. Daniels, Attorney-in-Fact

All correspondence regarding this rider should be addressed to:

UNDERWRITERS INSURANCE COMPANY  
100 Pearl Street, 16th Floor  
Hartford, CT 06103-4506  
(860) 241-2001 (888) 244-3980 FAX (860) 527-8627

UNDERWRITERS INSURANCE COMPANY  
POWER OF ATTORNEY

40036756

KNOW ALL MEN BY THESE PRESENTS, That UNDERWRITERS INSURANCE COMPANY, a corporation of the State of Nebraska, having its principal offices in the City of Madison, Wisconsin, does make, constitute and appoint

TAKESHIA L. DANIELS OF HARTFORD, CONNECTICUT

its true and lawful Attorney(s)-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, undertakings and contracts of suretyship, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed in amount the sum of

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED \$1,000,000.00

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of UNDERWRITERS INSURANCE COMPANY on the 8th day of January, 2002.

"RESOLVED, that the President and Vice President, the Secretary or Treasurer, acting individually or otherwise, be and they hereby are granted the power and authorization to appoint by a Power of Attorney for the purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, one or more vice-presidents, assistant secretaries and attorney(s)-in-fact, each appointee to have the powers and duties usual to such offices to the business of the Corporation; the signature of such officers and the seal of the Corporation may be affixed to such power of attorney or to 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 Corporation in the future with respect to any bond or undertaking or other writing obligatory in the nature thereof to which it is attached. Any such appointment may be revoked, for cause, or without cause, by any of said officers, at any time."

IN WITNESS WHEREOF, UNDERWRITERS INSURANCE COMPANY has caused its official seal to be hereunto affixed, and these presents to be signed by its President this 8th day of January, 2002.

Attest:

  
Jefferson W. Kirby  
Secretary

UNDERWRITERS INSURANCE COMPANY

  
David Pauly  
President

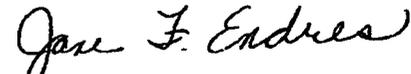


STATE OF WISCONSIN }  
COUNTY OF DANE } s.s.: Madison

On this 8th day of January, A.D., 2002 before me personally came David Pauly, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Dane, State of Wisconsin; that he is the President of UNDERWRITERS INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of the said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order.

STATE OF WISCONSIN }  
COUNTY OF DANE } s.s.: Madison

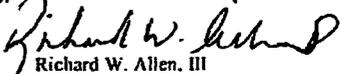
UNDERWRITERS INSURANCE COMPANY

  
Jane F. Endres  
Notary Public, Dane Co., WI  
My Commission Expires March 23, 2003



I, the undersigned, duly elected to the office stated below, now the incumbent in UNDERWRITERS INSURANCE COMPANY a Nebraska corporation authorized to make this certificate, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney, is now in force.

Signed and sealed at the city of Hartford, in the State of Connecticut, dated the 8th day of December 2002

  
Richard W. Allen, III  
Vice President

THIS DOCUMENT IS NOT VALID UNLESS PRINTED ON GREY SHADED BACKGROUND WITH A RED SERIAL NUMBER IN THE UPPER RIGHT HAND CORNER. THE BACK OF THIS DOCUMENT CONTAINS AN ARTIFICIAL WATERMARK-HOLD AT AN ANGLE TO VIEW. IF YOU HAVE ANY QUESTIONS CONCERNING THE AUTHENTICITY OF THIS DOCUMENT, YOU ARE URGED TO CONTACT OUR POWER OF ATTORNEY CUSTODIAN AT 1-800-394-7806.

# CAPITOL INDEMNITY CORPORATION

100 Pearl Street, 16th Floor - Hartford, CT 06103-4506  
(860) 241-2001 (888) 244-3980 FAX (860) 527-8627

## BOND EXECUTION REPORT

BOND NUMBER: 40036756  
UNDERWRITERS INSURANCE COMPANY  
PREPARED 12/09/2002

PRODUCER: 19322	BR: 10
CONNECTICUT SURETY INSURANCE AGENCY - 12 100 PEARL ST. 16TH FLOOR DIRECT BILL HARTFORD, CT 06103 4506	
PRINCIPAL:	
ROSETTE INC. P.O. BOX 265A ANIMAS, NM 88020	
OBLIGEE: 0	
STATE OF NEW MEXICO P.O. BOX 2088 SANTE FE, NM 87501	
TYPE OF BOND 27 - 30 - 3220 - 1 - 849 P	
WELL DRILLING/CAPPING	

BOND AMT.	\$	7,000.00
CONTRACT AMT.	\$	

ACTIVITY:	New Bond
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TERM	FROM: 11/05/2002	TO: 11/05/2003
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CHARGES		
PRF. PREMIUM:	\$	250.00
SURCHARGE:	\$	

PAYMENT		
RECEIVED:	\$	250.00-
TYPE OR CHECK NO:	CMC	
PHONE:	5466-3200-1314-5352	
NET AMOUNT DUE:	\$	0.00

IMPORTANT MESSAGE:  
REPLACING RED1010811

**NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Rosette Incorporated  
PO Box 265A  
Animas, NM 88020

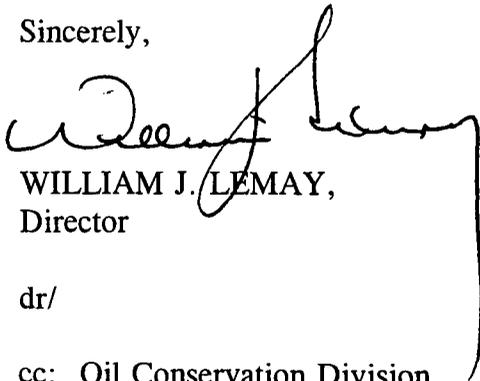
Attention: Jerry A. Malone

Re: \$10,000 Multiple Well Geothermal Bond  
Rosette Inc., Principal  
Redland Insurance Co., Surety  
Bond No. 1010809

Dear Mr. Malone:

The Oil Conservation Division hereby approves the above-referenced plugging bond effective this date.

Sincerely,



WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Santa Fe (Roy Johnson)

Redland Insurance Co.

**NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

Rosette Incorporated  
PO Box 265A  
Animas, NM 88020

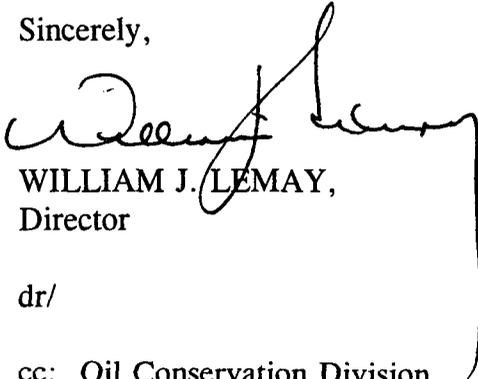
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dr/

cc: Oil Conservation Division  
Santa Fe (Roy Johnson)

Redland Insurance Co.



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

January 6, 2003

Underwriters Insurance Company  
100 Pearl Street, 16<sup>th</sup> Floor  
Hartford, CT 06103-4506  
Attn: Takeshia L. Daniels, Attorney-in-Fact

Re: \$10,000 Geothermal Multiple- Well-Low Temperature Well  
Or Geothermal Observation Well Bond  
Rosette, Inc., Principal  
Redland Insurance Co., Surety  
Bond No. 1010809

Dear Ms. Daniels:

The New Mexico Oil Conservation Division hereby acknowledges receipt of and approves the rider to the above-captioned Geothermal Bond changing the surety to **Underwriters Insurance Company** and the Bond No. to **40022832**.

Sincerely,

A handwritten signature in cursive script that reads "David K. Brooks".

DAVID K. BROOKS  
Assistant General Counsel

DKB/dp

cc: Oil Conservation Division – Santa Fe

Rosette, Inc.  
P.O. Box 265A  
Animas, NM 87501