

BEFORE EXAMINER STOCNER
 OIL CONSERVATION DIVISION
 OCP 7
 CASE NO. 12950

Form O & G B-B
 Adopted 6-17-77
 Revised 10-20-89

STATE OF NEW MEXICO

\$50,000 BLANKET PLUGGING BOND

BOND NO. 58 56 54

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

KNOW ALL MEN BY THESE PRESENTS:

That FI-RO CORPORATION, ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXX~~ (a corporation organized in the State of Mississippi, with its
 principal office in the city of Natchez, State of Mississippi,
 and authorized to do business in the State of New Mexico), as PRINCIPAL, and
GULF INSURANCE COMPANY, a corporation organized and existing under the
 laws of the State of Missouri, and authorized to do business in
 the State of New Mexico, 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 Section 70-2-12, New Mexico
 Statutes Annotated, 1978 Compilation, as amended, in the sum of Fifty Thousand Dollars (\$50,000)
 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 oil and gas leases, or
 carbon dioxide (CO₂) gas leases, or helium gas leases or brine mineral leases with the State of New
 Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or
 carbon dioxide (CO₂) gas leases, or helium gas leases or brine mineral 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 oil or gas, or carbon
 dioxide (CO₂) gas or helium gas, or does own or may acquire, own or operate such well, or such wells
 started by others on land embraced in said State oil and gas leases or brine minerals, or carbon
 dioxide (CO₂) gas leases, or helium gas leases or brine mineral leases, and on land patented by the
 United States of America to private individuals, and on land otherwise owned by private individuals,
 the identification and location of said well being expressly waived by both principal and surety
 hereto.

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 when dry 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 the oil, gas, brine 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.

SIGNED and sealed this 26th day of April, 1993.

FI-RO CORPORATION
PRINCIPAL
Post Office Box 8148
Roswell, New Mexico 88202-8148
Address

GULF INSURANCE COMPANY
SURETY
101 South Fourth Street
Artesia, New Mexico 88210-2195
Address

By [Signature]
Signature
President
Title

[Signature]
Attorney-In-Fact

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

(Note: Corporate surety affix corporate seal here.)

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 New Mexico)
COUNTY OF Eddy) ss.

On this 26th day of April, 1993, before me personally appeared Tommy McDonald, to me personally known who, being by me duly sworn, did say that he is President of Fi-Ro Corporation 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.

[Signature]
Notary Public

12-5-93
My Commission Expires

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF New Mexico)
COUNTY OF Eddy) ss.

On this 26th day of April, 1993, before me appeared J. Gary Sims, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of GULF 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 hereunto set my hand and seal on the day and year in this certificate first above written.

[Signature]
Notary Public

12-5-93
My Commission Expires

(Note: Corporate surety attach power of attorney.)

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By: [Signature]



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That GULF INSURANCE COMPANY, a corporation of the State of Missouri, hereinafter called "Company," does hereby appoint

CHARLENE M. WARD or S. GARY SIMS or JOHN C. KNIGHT

ARTESIA, NEW MEXICO

its true and lawful Attorney-in-fact to make, execute, seal and deliver on its behalf, as surety, any and all bonds and undertakings of suretyship, not to exceed \$250,000.00 or any bond where the penalty is not stated in the bond form. No authority is granted where the attorney in fact is a party at interest in the bond.

The execution of such bonds or undertakings in pursuance of these presents shall be as binding upon the Company as if they had been executed and acknowledged by the regularly elected officers of the Company.

This Power of Attorney is issued pursuant to and by authority of the following resolution of the Board of Directors of the Company, adopted effective July 1, 1983, and now in full force and effect:

"Resolved that the President, or any Senior Vice President, or any Vice President, or the Secretary, or any Assistant Secretary may appoint Attorneys-in-fact in any state, territory or federal district to represent this Company and to act on its behalf within the scope of the authority granted to them, in writing, which authority may include the power to make, execute, seal and deliver on behalf of this Company, as surety, and as its act and deed, any and all bonds and undertakings of suretyship and other documents that the ordinary course of surety business may require, including authority to appoint agents for the service of process in any jurisdiction, state or federal, and authority to attest to the signature of the President, or any Senior Vice President, or any Vice President, or the Secretary, or any Assistant Secretary and to verify any affidavit or other statement relating to the foregoing, and to certify to a copy of any of the bylaws of the Company and to any resolutions adopted by its Board of Directors; and any such Attorney-in-fact may be removed and the authority granted him revoked by the President, or any Senior Vice President, or any Vice President, or the Secretary, or any Assistant Secretary, or by the Board of Directors."

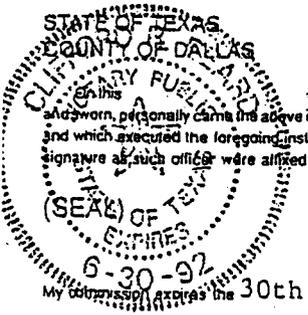
This Power of Attorney and Certificate are signed and sealed by facsimile under and by authority of the following resolution of the Board of Directors of the Company, adopted effective July 1, 1983, and now in full force and effect:

"Resolved that the signature of the President, or of any Senior Vice President, or of any Vice President, or of the Secretary, or of any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Attorneys-in-fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, including any such power of attorney and certificate revoking the authority of the foregoing Attorneys-in-fact, as well as for the appointment of agents for the service of process in any jurisdiction, state or federal, including any such power of attorney and certificate revoking the authority of such agents; and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power of attorney or certificate so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company at the time any such power of attorney and certificate are executed and in the future with respect to any bond or undertaking to which they are attached."



Witness my hand and seal of the Company has caused this Power of Attorney to be signed and its corporate seal to be affixed by its authorized officer this April 12, 1991

By [Signature]
Sr. Vice President

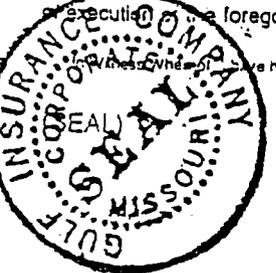


ss: I, the undersigned, a Notary Public of the State and County aforesaid, residing therein, duly commissioned and sworn, personally came the above named officer of GULF INSURANCE COMPANY, who being by me first duly sworn according to law, did depose and say that he is that officer of the company described in and which executed the foregoing instrument; that he knows the seal of said company; that the seal affixed to such instrument is the corporate seal of said company; and that the corporate seal and his signature as such officer were affixed and subscribed to the said instrument by the authority and direction of said company.
My commission expires the 30th day of June, 1992

[Signature]
Clifford R. Beard
Notary Public
1992

CERTIFICATE

I, the undersigned, do hereby certify that the original Power of Attorney of which the foregoing is a true and correct copy is in full force and effect, and the foregoing resolutions are true and correct transcripts from the records of GULF INSURANCE COMPANY and that the above named officer was on the date executed the foregoing Power of Attorney authorized to execute this Power of Attorney.



I have hereunto subscribed my name and affixed the corporate seal of Gulf Insurance Company this 26th day of April, 1993.

[Signature]
Vice President