



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 18, 2000

Frances Burks, Attorney in Fact
Gulf Insurance Group
P.O. Box 131771
Dallas, TX 75313

Re: \$50,000 Blanket Plugging Bond
FI-RO Corporation, Principal
Gulf Insurance Company, Surety
Bond No. 58 56 54

Dear Ms. Burks:

Receipt of your request for cancellation of the above-referenced blanket plugging bond is acknowledged.

The bond executed by your company is cancelled February 18, 2000, as to any property or wells acquired, started or drilled after that date.

It should be noted, however, that the subject bond will remain in effect as to any property or wells acquired, started or drilled prior to February 18, 2000.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand Carroll".

RAND CARROLL,
Legal Counsel

RC/dp

cc: Oil Conservation Division – Hobbs, Artesia, Aztec

Tommy McDonald, President
FI-RO Corporation
P.O. Box 8148
Roswell, NM 88202-8148

OIL CONSERVATION DIV.

NOTICE OF CANCELLATION OF BOND BY SURETY

JAN 18 AM 10:08

By: Regular Mail
 Registered Mail, Return Receipt Requested
 Certified Mail, Return Receipt Requested

To: N.M. Oil Conservation Division
Energy, Minerals & Natural Resource Dept.
P.O. Box 6429
Santa Fe, New Mexico 87505-6429

Bond Number: 58 56 54
Principal: Fi-Ro Corporation
Obligee: Oil Conservation Division
Description: Blanket Plugging Bond
Amount: \$50,000.00

The undersigned company, as Surety, hereby notifies you that is above described bond is hereby cancelled effective 30 days from receipt hereof and that as said Surety, it shall not be responsible for any acts or defaults committed or loss occurring after said date.

Dated this 12th day of January , 2000.

Gulf Insurance Company

By: Frances Burks
Frances Burks, Attorney in Fact
P. O. Box 131771
Dallas, Texas 75313
972.650.2800

cc: J.S. Ward & Son, Inc.
Artesia, N.M.