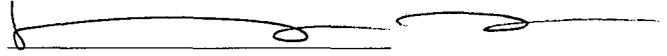


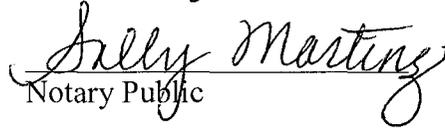


6. According to OCD records, the Blanket Cash Plugging Bond 713 remains in effect.

THIS CONCLUDES MY AFFIDAVIT.

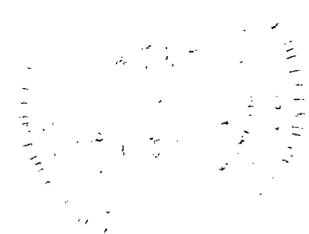
  
Dorothy Phillips

SUBSCRIBED AND SWORN before me this 22<sup>nd</sup> day of May, 2007.

  
Notary Public

My Commission Expires:

3-24-2010



CMD :  
OG6CBBDD

ONGARD  
CAPTURE BLANKET BONDS

05/21/07 12:11:11  
OGODLP -TPFG

OGRID Identifier : 159020 Bond Idn : 248369 Bond Status : A  
Operator Name, Address : NORTHSTAR OIL & GAS  
PO BOX 168  
SEWICKLEY, PA 15143-0168

Bond Details- Type (Cash/Surety - C/S): S Bond Co Idn: 12 Amount: 50000.00  
Company OGRID Identifier: 26506  
Company Name, Address : AMWEST SURETY INSURANCE  
P O BOX 4500  
WOOD HILLS, CA 91365

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date : 01-01-1900 Cancellation Date : 12-31-9999

Issuer Bond No : 1339364

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 NXTBOND	PF11	PF12

*Case 13920*  
*Affidavit of Dorothy Phillips*  
*OCD Exhibit No. 2-A*

OCD  
213

**BLANKET CASH PLUGGING BOND**

KNOW ALL MEN BY THESE PRESENTS THAT Northstar Oil and Gas Corp. (a corporation organized in the State of New Mexico, with its principal office in the City of Farmington, State of New Mexico and authorized to do business in the State of New Mexico), as PRINCIPAL, is firmly bound to the Oil Conservation Division of the Energy, Minerals and Natural Resources Department of the State of New Mexico (or its successor agency), as DIVISION, in the sum of **Fifty Thousand Dollars (\$50,000)**.

The conditions of this obligation are such that:

The PRINCIPAL desires to drill or purchase wells to prospect for and produce oil or gas, carbon dioxide gas, helium gas or brine minerals on property in the State of New Mexico.

The PRINCIPAL has deposited on behalf of the DIVISION **Fifty Thousand Dollars (\$50,000)**, being the principal sum intended to be secured, in the manner indicated on the Assignment, attached to this bond. The PRINCIPAL pledges this sum as a guarantee that it, its executors, assigns, heirs or administrators shall plug the wells owned or operated by it if dry, or when abandoned, in accordance with the rules and orders of the DIVISION, in such a way as to confine the oil, gas, and water in the strata in which they are found and to prevent same from escaping to other strata. If the PRINCIPAL does not so properly plug and abandon said wells, upon order of the DIVISION, the total sum of the bond shall be forfeited to the DIVISION, and such amount as is necessary may be used to properly plug said wells. If the principal sum of this bond is less than the actual cost incurred by the DIVISION in plugging said wells, the PRINCIPAL, its successors, assigns, heirs, or administrators shall be liable under the provisions of NMSA 1978, Section 70-2-38 of the Oil and Gas Act, and the DIVISION may take action to recover any amounts expended over and above the principal sum of the bond.

NOW THEREFORE, if the above PRINCIPAL or its successors, assigns, heirs, or administrators or any of them shall plug the wells owned or operated by it when dry or abandoned, in accordance with the rules and orders of the DIVISION, in such a manner as to confine the oil, gas, and water in the strata in which they naturally occur, and to prevent them from escaping into other strata, and further to clean up the surface location of said wells, this obligation shall be null and void and the principal sum shall be paid to the PRINCIPAL or its successors, heirs, or administrators.

PROVIDED HOWEVER, that upon thirty days notice to the DIVISION from the PRINCIPAL of intention to cancel this bond, the obligation shall terminate as to property or wells acquired, drilled, or spudded after said thirty day period.

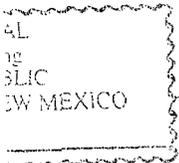
Northstar Oil and Gas Corp.  
PRINCIPAL

P.O. Box 93.	Farmington.	New Mexico	87499
Address	City	State	Zip

By [Signature] President  
Signature Title

Return to: **Oil Conservation Division  
1220 South Saint Francis  
Santa Fe, NM 87505**

**Case 13920  
Affidavit of Dorothy Phillips  
OCD Exhibit No. 2-B**



OCD 713

### ASSIGNMENT OF CASH COLLATERAL DEPOSIT

NORTHSTAR OIL AND GAS CORP. (OPERATOR) of 311 NORTH BEHREND AVENUE FARMINGTON, NM87401 (address) has deposited with the Wells Fargo New Mexico (name of state or national bank or savings association, which must be a federally-insured bank or savings institution in the State of New Mexico) of 100 E. Broadway Farmington, NM87401 (address) (FINANCIAL INSTITUTION), the sum of \$50,000.00 dollars in Certificate of Deposit or Savings Account No. 0687854554 (FUND).

To comply with NMSA 1978, Section 70-2-14, OPERATOR hereby assigns and conveys all right, title and interest in the FUND to the FINANCIAL INSTITUTION in trust for the Oil Conservation Division of the Energy, Minerals and Natural Resources Department or successor agency of the State of New Mexico (DIVISION).

OPERATOR and the FINANCIAL INSTITUTION agree that as to the FUND:

- a. The DIVISION acquires by this assignment the entire beneficial interest in the FUND, with the right to order the FINANCIAL INSTITUTION in writing to distribute the FUND to persons determined by the DIVISION to be entitled thereto, including the DIVISION itself, in amounts determined by the DIVISION, or to the OPERATOR upon sale or proper plugging, in compliance with the rules and orders of the DIVISION, of the well(s) covered by this assignment.
- b. OPERATOR retains no legal or beneficial interest in the FUND and has only the right to interest, if any, thereon, and to return of the FUND upon written order of the DIVISION.
- c. The FINANCIAL INSTITUTION agrees that the FUND may not be assigned, transferred, pledged or distributed except upon written order of the DIVISION or a court of competent jurisdiction made in a proceeding to which the DIVISION is a party. The FINANCIAL INSTITUTION waives all statutory or common law liens or rights of set-off against the FUND.

OPERATOR agrees that the FINANCIAL INSTITUTION may deduct from interest due OPERATOR any attorney fees incurred by the FINANCIAL INSTITUTION if claim or demand via writ, summons or other process arising from OPERATOR'S business is made upon the FINANCIAL INSTITUTION.

John C. Corbett  
 Signature of OPERATOR  
 Personally or by Authorized Officer

PRESIDENT  
 Title

Paul Deshayes  
 Signature of Authorized Officer  
 of FINANCIAL INSTITUTION

Paul Deshayes, Business Banker  
Wells Fargo New Mexico, N.A.  
 Title

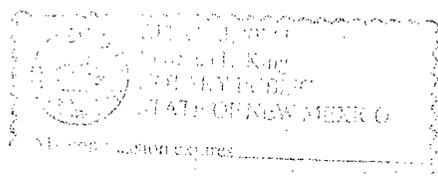
State of New Mexico  
County of Santa Fe ss.

On this 28th day of November, 2001, before me personally appeared John Corbett and Paul Deshayes, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that they executed the same as 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.

Rebecca L. King  
Notary Public

My Commission Expires:  
8/15/04



ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF New Mexico

ss.

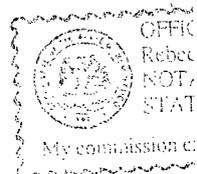
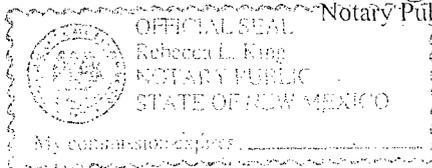
COUNTY OF San Juan

On this 4th day of January, 20 02, before me personally appeared John Corbett to me personally known who being by me duly sworn, did say that he is President

Northstar Oil & Gas of Corp 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.

Rebecca L. King  
Notary Public



8/15/04

My Commission Expires

APPROVED BY:

Oil Conservation Division of New Mexico

By David R. Brooks  
Assistant General Counsel

Date 1/11/02