



ACKNOWLEDGMENT FORM FOR INDIVIDUALS OR PARTNERSHIPS

STATE OF TEXAS)

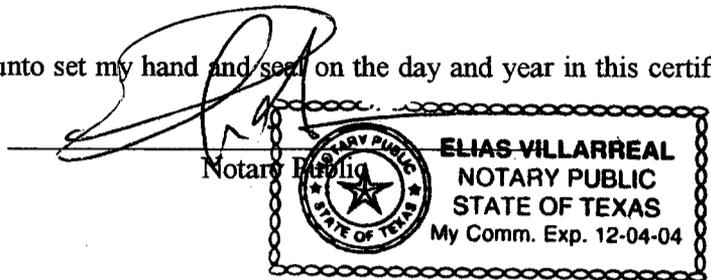
ss.

COUNTY OF TRAVIS)

On this 16<sup>th</sup> day of August, 2001, before me personally appeared William C. Gilmore, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his 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.

12-04-04  
My Commission Expires



ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF TEXAS)

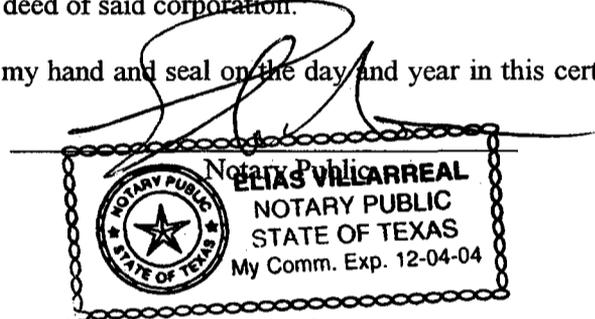
ss.

COUNTY OF TRAVIS)

On this 16<sup>th</sup> day of August, 2001, before me personally appeared William C. Gilmore, to me personally known who, being by me duly sworn, did say that he is President of Weststar Exploration 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.

12-04-04  
My Commission Expires



APPROVED BY:

Oil Conservation Division of New Mexico

By David K. Bishop  
Assistant General Counsel  
Date 11/19/01

Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval, and San Juan Counties, New Mexico:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 5,000
5,000 feet to 10,000 feet	\$ 7,500
More than 10,000 feet	\$10,000

All Other Counties in the State:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 7,500
5,000 feet to 10,000 feet	\$10,000
More than 10,000 feet	\$12,500

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

Weststar Exploration Company of P.O. Box 161896, Austin, Texas 78716-1896 has deposited with the Bank of America (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

701 S. Capital of Texas Highway, Austin, TX 78746 (FINANCIAL INSTITUTION), the sum of Five Thousand (\$5,000.00) dollars in Certificate of Deposit or Savings Account No. 091000039211604 (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 on demand via writ, summons or other process arising from OPERATOR'S business is made upon the FINANCIAL INSTITUTION.

*William C Gilmore*

Signature of OPERATOR  
Personally or by Authorized Officer

*[Signature]*

Signature of Authorized Officer  
of FINANCIAL INSTITUTION

President \_\_\_\_\_  
Title

Bank Center Manager  
Title

State of Texas  
County of Travis) ss.

On this 16<sup>th</sup> day of August, 2001, before me personally appeared William C. Gilmore, to me known to be the person 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.

*[Signature]*  
Notary Public

My Commission Expires:  
12-04-04

