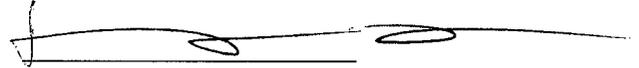


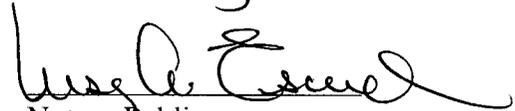


5. The records of the OCD indicate that BTA Oil Producers LLC has not posted a single well financial assurance for the Pardue C 8808 JVP #001.

THIS CONCLUDES MY AFFIDAVIT

  
Dorothy Phillips

SUBSCRIBED AND SWORN before me this 1 day of February 2010.

  
Notary Public

My Commission Expires:

6/7/2011



License No. \_\_\_\_\_

**RIDER**

To be attached to and form part of Bond No. 105E9046

Issued on behalf of BTA Oil Producers as Principal, and in favor of Oil Conservation Commission as Obligee.

It is agreed that:

1. The Surety hereby gives its consent to change the Name:

from: BTA Oil Producers, an individual, Carlton Beal

to: BTA Oil Producers, LLC

2. The Surety hereby gives its consent to change the Address:

from: \_\_\_\_\_

to: \_\_\_\_\_

3. The Surety hereby gives its consent to change the \_\_\_\_\_:

from: \_\_\_\_\_

to: \_\_\_\_\_

4. This rider shall become effective as of 1/1/2007

PROVIDED, however, that the liability of the Surety under the attached bond as changed by this Rider shall not be cumulative.

Signed, sealed and dated 5/20/2008

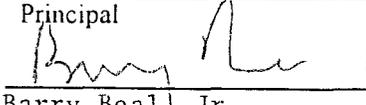
Travelers Casualty and Surety Company of America

By:   
Andrew McPhaul Attorney-in-Fact

Accepted: Oil Conservation Commission  
Obligee

or BTA Oil Producers, LLC  
Principal

By: \_\_\_\_\_

By:  | JH  
Barry Beal, Jr.  
Managing Member



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 219361

Certificate No. 002073617

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Christopher H. Noble, Frances Adams, Allen K. Dill, Shantee Mayfield, Jacqueline A. Epps, Jaimie Morrison, Mary S. Prey, Debra Barnes, Suzanne Murray, Scott M. Guyette, Tina Meintjes, Mistie Beck, Peter M. Russell, Roger W. Bumgarner, Donald Holtmann, Roger Bales, Jay Hale, Mike Walker, Laura Braun, Andrew McPhaul, Carmen Mims, Linda D. Boldt, Jacqueline D. Collins, Alison White, Brian K. Watson, Sylvia Huber, Lesley Whiting, Melissa Sanchez, and Azadeh Namiranian

of the City of Richardson, State of Texas, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 27th day of November, 2007

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 27th day of November, 2007, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2011.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

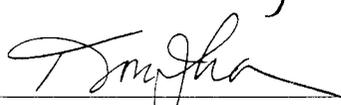
**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, 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 Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, 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 so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 20<sup>th</sup> day of May, 2008

  
Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at [www.travelersbond.com](http://www.travelersbond.com). Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

DEC 14 1977  
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

Revised 6-17-77

\$50,000.00 BLANKET PLUGGING BOND

BOND NO. 105E9046  
(For Use of Surety Company)

(Note: File with Oil Conservation Commission, P. O. Box 2088, Santa Fe 87501)

KNOW ALL MEN BY THESE PRESENTS:

That BTA Oil Producers, an individual, Carlton Beal, Sole Owner (An individual) ~~XXXXXXXXXX~~  
~~XXXXXXXXXXXXXXXXXXXX~~ State of Texas, with its principal office in the city of  
Midland, State of Texas, and authorized to do business in  
the State of New Mexico), as PRINCIPAL, and The Travelers Indemnity Company, a  
corporation organized and existing under the laws of the State of Connecticut, 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 Commission of New Mexico pursuant to Section 65-3-11, New Mexico Statutes  
Annotated, 1953 Compilation, as amended, in the sum of Fifty Thousand Dollars (\$50,000.00) 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 (CO<sub>2</sub>)  
gas leases, or helium gas 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  
(CO<sub>2</sub>) gas leases, or helium gas 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 (CO<sub>2</sub>) gas or helium gas, or does own  
or may acquire, own or operate such wells, or such wells started by others on land embraced in said State oil and gas leases, or  
carbon dioxide (CO<sub>2</sub>) gas leases, or helium gas 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 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 Commission of New Mexico in such way as to confine the 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 Commission 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.

BTA Oil Producers  
PRINCIPAL  
104 South Pecos Street  
Midland, Texas address 79701  
By [Signature]  
Signature  
Carlton Beal - Sole Owner  
Title

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

The Travelers Indemnity Company  
SURETY  
Two North Park East  
Dallas, Texas 75231  
Address  
By [Signature]  
Attorney-in-Fact  
JOHN W. RAHLFS

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF Texas )  
COUNTY OF Midland ) ss.

On this 16 day of December, 19 77, before me personally appeared Carlton Beal, 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.

8-3-1-78  
My Commission expires

[Signature]  
LEE DURWELL  
Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me personally known who, being by me duly sworn, did say that he is \_\_\_\_\_ of \_\_\_\_\_ 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.

My Commission expires

\_\_\_\_\_  
Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF Texas )  
COUNTY OF Midland ) ss.

On this 16 day of December, 19 77, before me appeared John W. Rahlfs, to me personally known, who, being by me duly sworn, did say that he is Attorney-In-Fact of The Travelers Indemnity 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.

July 31, 1978  
My Commission expires  
(Note: Corporate surety attach power of attorney.)

[Signature]  
Notary Public  
SARAH CRAWFORD

APPROVED BY:  
OIL CONSERVATION COMMISSION OF NEW MEXICO

By [Signature]  
Date \_\_\_\_\_