



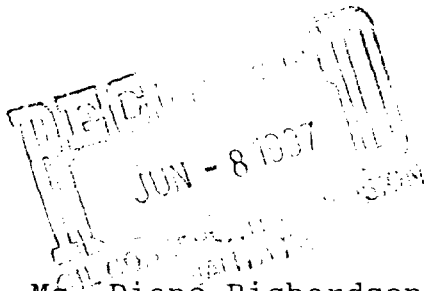
**FIREMAN'S FUND
INSURANCE COMPANIES**

777 San Marin Drive
Novato, CA 94998

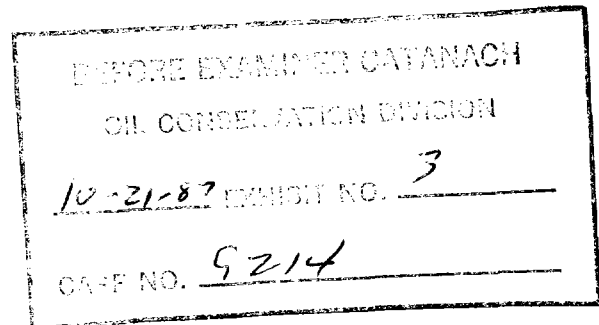
Writer's Direct Line
(415) 899-2848

Margaret Smith
Assistant Vice President &
Assistant General Counsel

June 4, 1987



Ms. Diane Richardson
Administrator, Bonding Department
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87501



Re: \$50,000 Blanket Plugging Bond -- No. 1074-8467

Dear Ms. Richardson:

Your letter of May 5, 1987, addressed to our Houston office has been forwarded to my attention.

We have examined our files but have been unable to find any evidence that any of the individuals purportedly having the power of attorney from National Surety Corporation were ever given that power by our company. Contrary to the assertion contained in the supposed power of attorney, the National Surety Corporation that is a subsidiary of Fireman's Fund is incorporated in Illinois, not New York. The bond is quite clearly not one of ours.

Neither have we been successful in locating the principal named in the bond. There is a Paramount Petroleum Company located in Houston, Texas. But they claim to have no affiliation with Paramount Petroleum Corporation and referred us to a California corporation with a similar name.

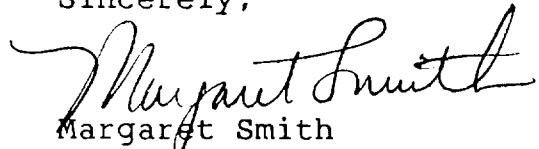
In speaking to Bill Winters, Director of Human Resources of Paramount Petroleum Corporation (located in Paramount, California), he told me that Paramount Petroleum Corporation was incorporated in 1984, which is well after the bond in question was issued. However, he thought that the present

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company had purchased the right to the name from some previous entity. Whether that previous entity is the company you are seeking, we have no way of knowing. If you wish to discuss this further with Mr. Winters, you may reach him at (213) 531-2060.

I am sorry we cannot be of more assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margaret Smith".

Margaret Smith
Assistant Vice President &
Assistant General Counsel

MS:hs

cc: Loretta Anstey - HO Surety Underwriting
Mike Peyton - Dallas Surety Center
Clarissa Chavis - Houston Surety