



# STATE OF COLORADO

## OIL & GAS CONSERVATION COMMISSION

Department of Natural Resources  
1580 Logan Street, Suite 380  
Denver, Colorado 80203  
Phone: (303) 894-2100  
FAX: (303) 894-2109



DEPARTMENT OF  
NATURAL  
RESOURCES

Roy Romer  
Governor

Ken Salazar  
Executive Director

Richard T. Griebling  
Director

Brian I. Macke  
Deputy Director

Patricia C. Beaver  
Technical Secretary

December 30, 1993

Midwest Indemnity Corporation  
c/o Elizabeth Lambrecht  
5550 West Touhy Ave. Suite 400  
Skokie, Illinois 60077-3200

RE: Individual Plugging Bond: #NB - 2226 (\$5,000)  
Well Name: Xenia West #4-5; NE SE 11-2N-54W  
Principal: GKM Oil Company  
Surety: National American Insurance Company

Dear Ms. Lambrecht,

In response to your letter of September 30, 1993, requesting full release of liability from the aforementioned bond; the Oil and Gas Conservation Commission (OGCC) has released that bond fully as of June 24, 1993.

In clarification, the principals for Bond #NB - 2226 were the GKM Oil Company (original principal 11/09/87) and Polaris Energy Development Company - aka PEDCO Resources Company (principal through a rider on 04/20/90). Mr. Thomas Wahl of Polaris Energy Development Co. requested a release of Bond #NB - 2226 on March 22, 1993, which was granted on June 24, 1993 after the Xenia West #4-5 had passed a field inspection by Mr. Ed Binkley of the OGCC.

A letter should also have been sent to GKM Oil Company informing them of the release of Bond #NB - 2226, however, that was apparently overlooked. We apologize for any inconvenience this may have caused your company as GKM Oil Company's Surety regarding this bond.

If you should have any further questions regarding this matter, please call Michelle Halverson at (303) 894-2100 x 444.

Sincerely,

Richard T. Griebling  
Director

RG/mh

Enclosures: Copy of Bond #NB - 2226

STATE OF COLORADO  
OIL AND GAS CONSERVATION COMMISSION  
DEPARTMENT OF NATURAL RESOURCES

FE 2226

BOND  
(Plugging)

KNOW ALL MEN BY THESE PRESENTS, That we, GKM OIL COMPANY

of the County of Tulsa, in the State of Oklahoma  
as principal, and National American Insurance Company, as surety, authorized to do business in the State  
of Colorado, are held hereby and firmly bound unto the State of Colorado, in the penal sum of (\$ 5,000.00\*\*),  
FIVE THOUSAND AND NO/100 Dollars, lawful money of the United States, for the  
faithful payment of which we hereby bind ourselves, our heirs, executors, administrators and assigns.

The condition of this obligation is that whereas the above bounden principals propose the drilling of a test well or wells  
on land or lands situated in the State of Colorado) on the following described land:

Blanket Bond: To Cover All Wells Drilled in the State of Colorado

Individual Bond: Well No. 4-5 Lease Xenia West Unit  
Section 11 Township 2N Range 54W  
Washington County, Colorado

NOW, THEREFORE, If the above bounden principals shall comply with all of the provisions of the laws of the State of  
Colorado and the rules, regulations and requirements of the Oil and Gas Conservation Commission of the State of Colorado, with refer-  
ence to properly plugging said well or wells, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

RECEIVED  
NOV 09 1987  
O. COMM.

Witness our hands, this 23rd day of October 1987.

RELEASED: Susan McCann  
ACTING DIRECTOR

GKM OIL COMPANY

DATE: 6-28-93

By: D. E. Godsey  
D. E. Godsey, President  
Principal

Witness our hands, this 23rd day of October 1987.

Approved: W. B. Amette - JCM  
Director, Oil & Gas Conservation  
Commission of the State of Colorado

National American Insurance Company  
John J. [Signature]  
John J. [Signature] Attorney-in-Fact

Dated: NOV 09 1987

Surety