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STATE OF COLORADO

OIL & GAS CONSERVATION COMMISSION

Department of Natural Resources
1580 Logan Street, Suite 380
Denver, Colorado 80203
Phone: (303) 894-2100
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DEPARTMENT OF
NATURAL
RESOURCESRoy Romer
GovernorKen Salazar
Executive DirectorRichard T. Griebing
DirectorBrian L. Macke
Deputy DirectorPatricia 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. Griebing
Director

RG/mh

Enclosures: Copy of Bond #NB - 2226

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

RE 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.

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

RELEASED:

Susan McCann
ACTING DIRECTOR

GKM OIL COMPANY

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

Principal

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

Approved:

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

National American Insurance Company

John J. Koster
John J. Koster Attorney-in-Fact

Dated:

NOV 09 1987

Surety