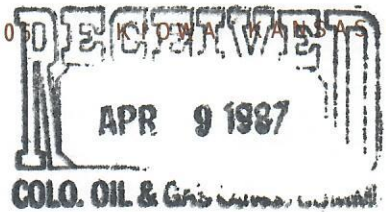


The First State Bank

BOX 1050 DEER CREEK, KANSAS 67070



IRREVOCABLE LETTER OF CREDIT

April 1, 1987

State of Colorado
Oil & Gas Conservation Commission
Department of Natural Resources
1580 Logan Street - Suite 380
Denver, Colorado 80203

No: CC-1

Date: April 1, 1987

Expiration: None

Amount: \$5,000.00

ATTENTION: Jim McKee

Gentlemen:

We hereby establish our Irrevocable Letter of Credit No. CC -1 by the order and on the account of Curtis Clark of which the legal description is the CW $\frac{1}{2}$ -33S-42W, #1 C. V. Cogburn, BACA County, State of Colorado. This letter of credit is for a sum or sums not to exceed \$5,000.00, current lawful money of the United States, available by your sight draft or drafts drawn on us accompanied by:

(a) A signed statement from you reading as follows:

This letter of Credit No. CC-1 is being called due to lack of performance regarding Regulation #304 (Bonding Requirement) and Regulation #319 (Abandonment).

(b) All drafts so drawn must be marked "Drawn under Our Letter of Credit No. CC-1".

This irrevocable letter of credit has no expiration date. This credit is subject to the "Uniform Customs and Practice for Documentary Credits (1983 Rev.), International Chamber of Commerce Publication No. 400".

The First State Bank, Kiowa, Kansas

By

L. D. Stevens, President