



- NORTHWESTERN NATIONAL INSURANCE COMPANY
- NORTHWESTERN NATIONAL CASUALTY COMPANY
- LAWYERS SURETY CORPORATION
- STATE SURETY COMPANY



00210023

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SEP 12 1984

OLD OIL & GAS CONS. COMM

COLLATERAL SECURITY RECEIPT AND AGREEMENT

No 7347

BOND NUMBER DLI-903990	AMOUNT \$ 2,000.00	DATE OF BOND Jan. 10, 1984	KIND OF BOND Oil & Gas Drilling Bond
BOND PRINCIPAL AND ADDRESS Frizzell Oil Company 1911 Garfield Ave. Loveland, Colorado		COLLATERAL OWNER AND ADDRESS Same	

This agreement is with the COMPANY DESIGNATED ABOVE (herein called SURETY) and acknowledges receipt of the following security from the party designated above as Owner, deposited with Surety for the benefit of Surety and its co-sureties, reinsurers, successors and assigns, for a good consideration and under the agreements and upon the conditions hereinafter stated:

Certificate Of Deposit No. 1330, Dated January 5, 1984, Payable To Northwestern National Insurance Company, Issued By Valley National Bank, Loveland, Colorado.

The collateral security, together with income thereon, is pledged and deposited with Surety as security:

(a) Against any and all liability, loss, costs, damages, expenses, premiums and attorney's fees arising or incurred in connection with the above captioned bond, or any other bond, recognizance, undertaking or other obligation (all of which, together with any continuations and modifications thereof, are hereinafter referred to as bonds), heretofore or hereafter executed, assumed or procured by Surety at the instance or request or on behalf either of Owner or of the principal above named;

(b) For the payment of all premiums on such bonds;

(c) For the performance of every agreement (including continuations or modifications thereof, with or without consent of Owner) made by Owner or by any of the principals in connections with said bonds;

(d) Against any liability, loss, costs, expenses and attorney's fees in connection with any claim to the collateral security by persons claiming adversely to Owner. To accomplish the purposes of such deposit, Surety is authorized, at any time and without notice or legal process, to use said collateral security, and to apply the same to payment of or reimbursement for losses, costs or damages, expenses, attorney's fees, premiums or liabilities, as it may elect; and, at its option and in its sole discretion, to sell any of said collateral security at public or private sale to itself or to any other person, or to deposit, invest, convert, cash, exchange, renew or dispose of said collateral security or the proceeds thereof in any manner, in such form and on such terms as it deems proper. The rights given to Surety under this agreement shall be in addition to, and not in limitation of, any other rights which Surety may have, including rights under any separate agreements.

Owner represents himself to be the sole owner of said collateral security, and agrees to save Surety harmless from any loss, costs, expenses or attorney's fees arising from claims to any part thereof by any persons claiming adversely to Owner.

If the collateral security shall, by reason of depreciation below its market value as of the time of deposit, become insufficient for Surety's protection, Owner shall, upon demand, deposit additional collateral security, satisfactory to Surety, of a value of least equal to the amount of such depreciation.

Surety shall not be liable for any loss or depreciation of the collateral security or the proceeds thereof, or damage thereto, unless caused by gross negligence of Surety's officers or employees. Surety shall pay no interest on the collateral security unless earned, and assume no responsibility for the earning of any income thereon. In connection with any certificate of deposit or any other instrument evidencing the deposit of money with any person, firm or corporation included in the collateral security, it is understood that Owner has selected the depository, and assumes full responsibility for the safety of the deposited funds.

Upon receipt of written evidence satisfactory to Surety of its discharge from all liability under such bonds, and of ownership of the collateral security by the applicant (it being recognized that differences of opinion with regard to proof of ownership and of termination of liability, require to giving of considerable latitude to Surety in the determination of what evidence is reasonable), and of payments of all amounts due as provided herein, Surety shall, within a reasonable time, return said collateral security or the proceeds thereof, less any deductions pursuant to the terms of this agreement, to the party then designated as Owner. THIS RECEIPT IS NOT ASSIGNABLE OR TRANSFERABLE EXCEPT UPON CONSENT OF A DULY AUTHORIZED OFFICER OF SURETY, AND MUST BE RETURNED UPON SURRENDER OF THE COLLATERAL SECURITY.

Date of this agreement January 17, 1984

Frizzell Oil Company
By: [Signature]
OWNER

- NORTHWESTERN NATIONAL INSURANCE COMPANY Of Milwaukee Wisconsin
- NORTHWESTERN NATIONAL CASUALTY COMPANY
- LAWYERS SURETY CORPORATION

[Signature]
BY R.L. Yoakam - Attorney-In-Fact

RECEIPT FOR RETURN OF COLLATERAL

The undersigned acknowledges the return of the above described collateral this date _____

WITNESS _____

OWNER _____

WITNESS _____

OWNER _____

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SEP 12 1984
COLO. OIL & GAS CONS. COMM



1911 Garfield Avenue
P. O. Box 5035
LoveJand, Colorado 80537
Denver Telephone (303) 595-9045

January 5, 1983

Mr. Rod Yoakam
NORTHWESTERN NATIONAL INS. CO.
P. O. Box 5464, Terminal Annex
Denver, CO 80217

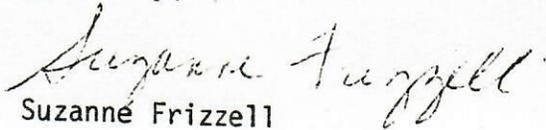
Dear Mr. Yoakam:

Enclosed please find a certificate of deposit in the amount of \$2000.00 made payable to Northwestern National to be held as collateral for the \$2000.00 surface bond for Frizzell Oil Company. We used Frizzell Oil Company's tax identification number on the CD and ask the bank to send the interest directly to us.

It is our understanding that at such time that financial information suitable to Northwestern National for issuance of the bond without collateral has been provided to Northwestern National, this CD will be returned to Frizzell Oil Company.

It is also our understanding that the \$2000.00 check previously written to Northwestern National will be returned to us as soon as the CD is received.

Sincerely,


Suzanne Frizzell

:slf
enclosure: \$2000.00 certificate of deposit.

RECEIVED
 SEP 12 1984
 COLO. OIL & GAS CONS. COMM

AUTOMATICALLY RENEWABLE CERTIFICATE OF DEPOSIT

91 days

VALLEY NATIONAL BANK
 LOVELAND, COLORADO 80539

Nº 1330

THIS CERTIFIES THAT THERE HAS BEEN DEPOSITED IN THIS INSTITUTION THE AMOUNT OF

Two Thousand and 00/100

DOLLARS

PAYABLE TO Northwestern National Ins. Co. * ADDRESS P O Box 5464 T.A. Denver CO

SOC. SEC. OR TAX ID. NO.	INTEREST RATE	INTEREST PAYABLE	DATE OF ISSUE	MATURITY DATE	AMOUNT DEPOSITED
84-0849947	8.40 % per annum	maturity	01/05/84	04/05/84	\$2,000.00*

PAYABLE IN CURRENT FUNDS AT ANY MATURITY DATE UPON PROPER ENDORSEMENT AND SURRENDER OF THIS CERTIFICATE. THIS CERTIFICATE SHALL BE AUTOMATICALLY RENEWED FOR ADDITIONAL PERIODS EQUAL TO THE ORIGINAL TERM, UNLESS THE OWNER HEREOF PRESENTS THIS CERTIFICATE FOR PAYMENT ON, OR WITHIN SEVEN DAYS AFTER, ANY MATURITY DATE, OR UNLESS THE INSTITUTION MAELS WRITTEN NOTICE TO THE OWNER, AT THE ABOVE ADDRESS, AT LEAST TEN DAYS PRIOR TO ANY MATURITY, OF THE INSTITUTION'S INTENTION TO REDEEM THIS CERTIFICATE. INTEREST HEREON SHALL BE PAYABLE DURING THE PERIOD OF EACH SUCH RENEWAL AT THE RATE BEING PAID BY THE INSTITUTION ON THE CERTIFICATES OF DEPOSIT WITH THE SAME TERM AS THIS CERTIFICATE AS OF THE DATE OF SUCH RENEWAL. THIS CERTIFICATE MAY BE REDEEMED IN ADVANCE OF EACH MATURITY DATE ONLY WITH THE CONSENT OF THE INSTITUTION AND ONLY IN ACCORDANCE WITH THE PENALTY FOR EARLY WITHDRAWAL.

DEPOSIT INTEREST TO ACCOUNT NO. _____	<input checked="" type="checkbox"/> MAIL INTEREST CHECK _____
_____	<input type="checkbox"/> ADD INTEREST TO PRINCIPAL _____

Cheryl J. Meyer
 AUTHORIZED SIGNATURE

TRANSFERABLE ONLY ON THE BOOKS OF, OR WITH PERMISSION OF, THE ISSUING INSTITUTION.

© Rocky Mountain Bank Note 413 (Rev. 5/82)