

1670
3280
9727

Worship
6-16-00

Federal Express Tracking No.: 7908 5276 5058

In Reply Refer To: MS 5422

JUN 16 2000

Mr. Bruce Maas
Sr. Counsel
Frontier Insurance Company
130 East Main Street
Rochester, New York 14604

Dear Mr. Maas:

As we discussed in our previous letter of May 3, 2000, we would like to provide the following information to assist Frontier Insurance Company (Frontier) in complying with the June 15, 2000, deadline, as directed in this letter.

As specified in our letter dated March 21, 2000, one lease bid was received on Main Pass 293 from Samedan Oil Corporation (Samedan). In addition, in the same letter, the Minerals Mangement Service (MMS) granted a delay on the forfeiture of the below-referenced bond for 45 days from March 15, 2000, or until May 1, 2000, so that Frontier could negotiate and finalize a sale of the existing facilities on to the new lessee.

Our letter dated May 3, 2000, granted Frontier Insurance company a temporary delay on their forfeiture of Surety Bond No. 121570, until June 15, 2000. The extension in delay of the forfeiture of the bond was due to Samedan's refusal to initiate any negotiations for the sale of the facilities until awarded a new lease on Main Pass 293.

Samedan has not yet made a decision on whether to acquire these facilities and assume the associated obligations attached to those facilities by the MMS-designated deadline of June 15, 2000. Therefore, pursuant to our letter dated May 3, 2000, the MMS demands the immediate forfeiture of the following bond:

<u>Bond Number</u>	<u>Amount</u>	<u>Lease Number</u>	<u>Area/Block</u>
121570	\$ 2,600,000	OCS-G 01670	Main Pass 293

Please submit the forfeited sum of this bond by wiring the specified funds utilizing the following information:

- Field Tag 2000: Amount of Wire - \$2,600,000 (Payment amount)
- Field Tag 3400: Receiver FI - 021030004 TREVAS NYC
- Field Tag 3600: Business function - CTR

Field Tag 4200: Beneficiary (Fields 1 through 6) - D
 14170001
 Department of the Interior
 Minerals Management Service
 Accounting & Reports Division
 Post Office Box 25165
 Denver, Colorado 80225

Field Tag 4320: Reference for Beneficiary Forfeiture of Frontier Bond for Allied Leases

PAYOR Code - Use the MMS assigned company number – 10336

Field Tag 5000: Originator (Lines 1 through 6) Frontier Insurance
 2636 Elm Hill Pike, Suite 500
 Nashville, Tennessee 37214

Field Tag 6000 - Up to 4 lines of 35 characters each and any additional information
 PAD - Your document number and amount (if more than one)
 BILL - Bill document ID (type & number) followed by amount
 IND Fund Code - Refer to list of alphabetical Tribes & Allottees
 And amount (if there is more than one)

Please contact Ms. Nancy Houston, Royalty Management Program, at (303) 231- 3128, with any wire transfer problems.

If we can be of further assistance, please contact me at (504) 736-2803.

Sincerely,

(Orig. Sgd.) Carrol S. Williams

Carrol S. Williams
 Acting Supervisor, Adjudication Unit
 Leasing and Environment

cc: Attention: Mr. Thomas W. Graves
 Attorney for Randy Williams, Trustee
 Adair & Meyers, P.L.L.C.
 3200 Southwest Freeway, Suite 2300
 Houston, Texas 77027

Attention: Mr. Patrick L. Hughes
 Attorney For Frontier Insurance Company
 Verner, Lipfert, Bernarhard, McPherson and Hand
 1111 Bagby, Suite 4700
 Houston, Texas 77002

Attention: Ms. E. Kathleen Shahan
United States Department of Justice
Civil Division
Post Office Box 875
Ben Franklin Station
Washington, D.C. 20044

Attention: Mr. Dennis Daugherty
Office of the Solicitor
1849 C Street, NW, Room 6312
Washington, D.C. 20240

bc: 1101-02c – OCS-G 1670, 3280, 9727
Regional Director (MS 5000)
Deputy Regional Director (MS 5000)
J. Haddox (MS 5422)
M. Holmes (MS 5421)
C. Moser (MS 5300)
B. Kruse (MS 5220)
E. Swiler (MS 4010)

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