STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division

BOND NO. ____________________
(issued by OCD)

WELL DEPTH ____________________

AMOUNT OF BOND ____________________

Note: Bond Amount is $25,000.00 plus $2.00 per foot of projected depth for a proposed well or the depth of an existing well; the depth of a well is the true vertical depth for vertical and horizontal wells and the measured depth for deviated or directional wells. See 19.15.8.9(C)(1) and 19.15.8.9(D)(1) NMAC.

SINGLE-WELL CASH PLUGGING BOND

("OPERATOR"), an ____________________

(organized in the State of ____________________

and authorized to do business in the State of New Mexico whose mailing address is ____________________

is hereby firmly bound to the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State of New Mexico ("the DIVISION"), in the sum of ____________________

Dollars ($__________) upon the following conditions:

OPERATOR desires to drill a well, acquire or operate an existing well, or owns or operates an existing well the depth of which does not exceed ___________ feet, to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas, or brine minerals or an injection or other service well in the State of New Mexico, the particular identification and footage location of said well being as follows:

_____________________________________
(well name), API No. 30-0______________
located _______________feet
from the _________ (North/South) line and ________________feet from the _________ (East/West) line in
Section______, Township_________, Range__________, NMPM, ________________________County, New Mexico.

OPERATOR has deposited on behalf of the DIVISION the sum of ____________________

Dollars ($__________), with ____________________
("FINANCIAL INSTITUTION") in account no. ____________, subject to the terms of the Assignment attached to this bond. OPERATOR pledges this sum as financial assurance that it or its successors or personal representatives will cause the above-described well to be properly plugged and abandoned if dry, or when no longer productive or useful for other beneficial purpose, in accordance with all applicable rules and orders of the DIVISION, Oil Conservation Commission, or a court of competent jurisdiction, including but not limited to 19.15.8.9 and 19.15.25.10 NMAC, as the same now exist or may be hereafter amended. If OPERATOR does not properly plug and abandon said well, upon order of the DIVISION, Oil Conservation Commission, or a court of competent jurisdiction after notice and hearing, this bond may be forfeited to the DIVISION, as provided in NMSA 1978, Section 70-2-14(B), as amended. If the principal sum of this bond is less than the actual cost incurred by the DIVISION in plugging and abandoning said well in accordance with 19.15.8.9 and 19.15.25.10 NMAC and any other applicable rules or orders, OPERATOR, its successors, heirs, or personal representatives, shall be liable under the provisions of NMSA 1978, Sections 70-2-14 or 70-2-38, as amended, (as applicable) for such deficiency, and the DIVISION may initiate action as provided in said statutes to recover the same.

If OPERATOR or its successors, heirs, personal representatives or assigns shall cause the above-described well to be properly plugged and abandoned in accordance with all applicable rules and orders, as above described, this obligation shall be null and void, and the principal sum of the deposit securing this bond shall be released to OPERATOR or to its successors, heirs, or personal representatives, upon written request.

__________________________________________
PRINCIPAL

By_______________________________________
Signature

_________________________________________
Title

Return to: Oil Conservation Division 1220 South Saint Francis Santa Fe, NM 87505
INDIVIDUAL ACKNOWLEDGMENT:
(If dba, must read – Example: John Doe dba ABC Services)

State of New Mexico
County of ______________.

This instrument was acknowledged before me on this ________day of ____________________, 20_____, by __________________________________________________________________________.

(Individual Operator)

______________________________
Notary Public

SEAL

My Commission Expires:

______________________________

ACKNOWLEDGMENT FOR CORPORATION, PARTNERSHIP OR LIMITED LIABILITY COMPANY:

State of New Mexico
County of ______________.

This instrument was acknowledged before me on this ________day of ____________________, 20_____, by _____________________________________________, __________________________________ __.

(Name of Person Signing Document)                                (Title)

_______________________________________________________.

(Name of Operator)

______________________________
Notary Public

SEAL

My Commission Expires:

______________________________

APPROVED BY:

Oil Conservation Division of New Mexico

By______________________________

Date______________________________