STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, New Mexico 87505

BOND NO._____________
(Issued by OCD)

BLANKET CASH PLUGGING BOND

____________________________, a(n) _____________________________, organized in the State of _____________________________, _______________,_______, _______ 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 ___________________________ Thousand Dollars ($______,000.00) upon the following conditions:

OPERATOR has drilled or acquired, owns or operates, or desires to drill, acquire or assume operation of, wells to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas or brine minerals, or injection or other service wells, on land owned by the State of New Mexico or on privately owned fee land within the State of New Mexico.

OPERATOR has deposited on behalf of the DIVISION the sum of ___________________________ Thousand Dollars ($_____ ,000.00) with ____________________________________ ("FINANCIAL INSTITUTION") in Account number _________, 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 to be properly plugged and abandoned all wells in the State of New Mexico now or hereafter owned or operated by it 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 19.15.25.8 NMAC, as the same now exist or may be hereafter amended. If OPERATOR does not so properly plug and abandon said wells, 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 wells in accordance with 19.15.25.8 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 same.

If OPERATOR or its successors, heirs, personal representatives or assigns cause all of the above-described wells now or hereafter owned or operated by OPERATOR in the State of New Mexico 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.

_______________________________________
Return to:
Oil Conservation Division
1220 South Saint Francis
Santa Fe, NM 87505

By ______________________________
Signature

____________________________
Title
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 ____________________________________________________, ____________________________________of
___________________________________________________________.

(Name of Person Signing Document) (Title)

________________________________
Notary Public

SEAL

My Commission Expires:

________________________

APPROVED BY:

Oil Conservation Division of New Mexico

By______________________________

Date____________________________