STATE OF NEW MEXICO
OIL CONSERVATION DIVISION (OCD)
WATER QUALITY CONTROL COMMISSION (WQCC) OCD DISCHARGE PERMIT

WQCC CASH BOND

BOND NO.__________________
OCD PERMIT________________
AMOUNT OF BOND_______________

("OPERATOR"), a(n) ______________________________________ (Individual (If dba, must read – Example: John Doe dba ABC Services), Corporation, Partnership, Limited Liability Company, etc.) 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 does or may own or operate a “Facility” (identified by location only below) and/or one or more wells (identified by location(s) below) for the injection of fresh and non-fresh water, remediation fluids (i.e. Class I Disposal Well, evaporation pond, or Class V Pump & Treat Injection Well), oilfield exempt, non-exempt and/or produced fluid waste(s) into the subsurface for use in connection with oil and/or gas activities, which well is classified as a Division Underground Injection Control Class I, III, or V Injection Well pursuant to 20.6.2 et seq. NMAC, the identification and location(s) of said well(s) being:

_____________________________________ (Facility Name), API No. 30-0_______________, located
feet from the ___(North/South) line and feet from
the ___(East/West) line of 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 or Facility to be properly plugged and abandoned and surface restore when no longer productive or useful for other beneficial purpose, in accordance with all applicable Water Quality Control Commission (“WQCC”) rules and/or orders of the DIVISION, and take all measures necessary, as required by the DIVISION by OCD Permit No. ______ pursuant to 20.6.2 NMAC, as such rules now exist or may hereafter be amended, to prevent contamination of ground water having 10,000 milligrams per liter (mg/l) or less concentration of total dissolved solids (TDS), including, but not limited to, surface and ground water restoration, if applicable, and post-operational monitoring and/or remediation.

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 WQCC rules and any other applicable rules or orders, OPERATOR, its successors, heirs or personal representatives, shall be liable under the provisions of NMSA 1978, Sections 74-6-1 et seq., as amended, or any other law 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 or Facility to be properly plugged and abandoned and restored in accordance with all applicable rules and orders of the DIVISION, 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.

__________________________________________

Operator

By: ________________________________

Signature

__________________________________________

Title

Return to:

Oil Conservation Division
Attn: Bond Administrator
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____________________________