

STATE OF NEW MEXICO

\$50,000 BLANKET PLUGGING BOND

BOND NO. \_\_\_\_\_

File with the OIL CONSERVATION DIVISION, 1220 South St. Francis, Santa Fe, New Mexico 87505

KNOW ALL MEN BY THESE PRESENTS:

That \_\_\_\_\_, (an individual – If dba, must read – Example: John Doe dba ABC Services) (a corporation) (a general partnership), (a limited liability company) (a limited partnership) organized in the State of \_\_\_\_\_, and authorized to do business in the state of New Mexico, as PRINCIPAL, and \_\_\_\_\_, a corporation organized and existing under the laws of the State of \_\_\_\_\_ and authorized to do business in the State of New Mexico, as SURETY, are firmly bound unto the State of New Mexico for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) (the DIVISION) pursuant to NMSA 1978, Section 70-2-14, as amended, in the sum of **Fifty Thousand Dollars (\$50,000)** for the payment of which the PRINCIPAL and SURETY hereby bind themselves and their successors, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, the PRINCIPAL has commenced or may commence the drilling of a well or wells to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas or brine minerals, or an injection or other service well or wells related to such exploration or production, on privately owned or state owned lands within the State of New Mexico, or does own or operate, or may acquire, own or operate such a well or such wells, the identification and location of said wells being expressly waived by both PRINCIPAL and SURETY.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them or their successors or assigns, or any of them, shall cause all of said wells to be properly plugged and abandoned when dry or when no longer productive or useful for other beneficial purpose, in accordance with the rules and orders of the DIVISION, including but not limited to Rules 8.9 [19.15.8.9 NMAC] and 25.10 [19.15.25.10 NMAC], as such rules now exist or may hereafter be amended;

THEN AND IN THAT EVENT, this obligation shall be null and void; otherwise, and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

PROVIDED HOWEVER, that 30 days after receipt by the DIVISION of written notice of cancellation from the SURETY, the obligation of the SURETY shall terminate as to wells acquired, drilled or started, or of which PRINCIPAL assumes operation, after said 30-day period, but shall continue in effect, notwithstanding said notice, as to wells theretofore acquired, drilled, started or operated.

\_\_\_\_\_  
PRINCIPAL

\_\_\_\_\_  
Address

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

If PRINCIPAL is a corporation, affix corporate seal here

\_\_\_\_\_  
SURETY

\_\_\_\_\_  
Address

By \_\_\_\_\_  
Attorney-in-Fact

Corporate surety affix corporate seal here

