

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

BOND NO. _____
(Issued by OCD)

BLANKET CASH PLUGGING BOND

("OPERATOR"), a(n)
(Name of Operator)

_____, organized in the State of
(**Individual (if dba, must read - Example: John Doe dba ABC Services), Partnership, Corporation, Limited Liability Company, Etc.**) (_____, 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 **Fifty Thousand Dollars (\$50,000)** 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 **Fifty Thousand Dollars (\$50,000)** 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, including but not limited to Division Rules 8.9 [19.15.8.9 NMAC] and 25.8 [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 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 Rule 25.8 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 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.

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 _____, _____ of
(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 _____