

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive, Santa Fe, New Mexico 87505

**Blanket Plugging Bond Financial Assurance for Wells in Temporarily Abandoned Status (“Bond”)**

**KNOW ALL MEN BY THESE PRESENTS:**

Name of Operator (“Operator”):

Operator’s Address:

State in which Operator is Organized:

Operator’s OGRID Number:

Name of Surety Company (“Surety”):

Surety Company’s Business Address:

Bond Number:

Effective Date:

Required Financial Assurance (“Financial Assurance”) (choose one):

\$150,000 and covering up to five wells in temporarily abandoned status

\$300,000 and covering up to ten wells in temporarily abandoned status

\$500,000 and covering up to twenty-five wells in temporarily abandoned status

\$1,000,000 and covering more than twenty-five wells in temporarily abandoned status

WHEREAS, Operator, authorized to do business in the State of New Mexico, and Surety, authorized by the Superintendent of Insurance to do business in the State of New Mexico, pursuant to NMSA 1978, Section 70-2-14, as may be amended from time to time, are, jointly and severally, firmly bound to the State of New Mexico’s Energy, Minerals and Natural Resources Department (“Department”), or its successor, for payment of the amount of the Financial Assurance indicated above.

WHEREAS, Operator has drilled wells to prospect for and/or produce oil and/or gas, carbon dioxide gas, helium gas, or brine minerals, or an injection or other service 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 wells, and said wells are in temporarily abandoned status.

WHEREAS, the identification and location of said wells in temporarily abandoned status is being expressly waived by both Operator and Surety, and the Department may automatically assign coverage under this Bond to wells held in temporarily abandoned status.

WHEREAS, Operator and Surety expressly agree, under this Bond obligation, to cause all said wells covered under the Financial Assurance to be property plugged and abandoned in accordance with 19.15.25 NMAC and any other Department rules, as may now exist or may hereafter exist, along with orders of the Oil Conservation Division, or to return said wells to production (collectively, “Obligations”).

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, this Bond shall remain in full force and effect.

PROVIDED, HOWEVER, that 30 days after receipt by the Department's Oil Conservation Division of written notice of cancellation from the Surety, the obligation of the Surety shall terminate as to wells placed in temporarily abandoned status after said 30-day period, but shall continue in effect, notwithstanding said notice, as to wells in temporarily abandoned status before the 31<sup>st</sup> day after receipt of said notice; under such circumstances, the determination of wells currently in temporarily abandoned status shall be determined by the Department's records as said records exist on the 31<sup>st</sup> day after receipt of said notice.

\_\_\_\_\_  
OPERATOR  
  
By: \_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Title

\_\_\_\_\_  
SURETY  
  
By: \_\_\_\_\_  
Signature\*  
  
\_\_\_\_\_  
Title  
\*Include Power of Attorney or other  
instrument authorizing signature

APPROVED BY:

**Oil Conservation Division of New Mexico**

By \_\_\_\_\_

Date \_\_\_\_\_

**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:

\_\_\_\_\_