

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

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

_____ (“OPERATOR”) of _____,
_____, _____ (address) has deposited with
_____ (name of federally insured state or national bank
or savings association in the State of New Mexico) of _____,
_____ (address) (FINANCIAL INSTITUTION), the sum of Fifty Thousand Dollars
(\$50,000) in Certificate of Deposit or Savings Account No. _____ (FUND).

To comply with the financial assurance requirements of 20.6.2.3107 NMAC, OPERATOR hereby assigns all right, title and interest in the FUND, except as herein otherwise provided, to the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State of New Mexico (the DIVISION).

OPERATOR AND FINANCIAL INSTITUTION agree that as to the FUND:

- a. The DIVISION acquires by this assignment the entire beneficial interest in the FUND with the right to order the FINANCIAL INSTITUTION in writing to distribute the FUND to persons determined by the DIVISION to be entitled thereto, including the DIVISION itself, in amounts determined by the DIVISION, without further consent by the OPERATOR. FINANCIAL INSTITUTION hereby acknowledges that the DIVISION is FINANCIAL INSTITUTION’S customer with respect to the FUND.
- b. OPERATOR retains no legal or beneficial interest in the FUND except the right to interest, if any, thereon, and to return of the FUND upon written order of the DIVISION following final closure of all wells in the State of New Mexico for which this Assignment now or hereafter serves as financial assurance.
- c. FINANCIAL INSTITUTION agrees that the FUND may not be assigned, transferred, pledged or distributed except upon written order of the DIVISION or of a court order entered in a proceeding to which the DIVISION is a party. FINANCIAL INSTITUTION hereby waives all statutory or common law liens or rights of set-off or recoupment against the FUND by reason of any indebtedness or obligation of OPERATOR to FINANCIAL INSTITUTION now existing or hereafter incurred.
- d. OPERATOR agrees that FINANCIAL INSTITUTION may deduct, solely from interest due OPERATOR, any costs or attorney fees incurred by FINANCIAL INSTITUTION by reason of any claim or demand via writ, summons or other process made upon FINANCIAL INSTITUTION arising from OPERATOR’S business. FINANCIAL INSTITUTION agrees that no such costs or fees shall otherwise be deducted from the principal of the FUND prior to final release thereof to OPERATOR by the DIVISION.

This agreement shall be governed by the laws of the State of New Mexico.

Operator
By: _____
(Signature of Individual Operator)

Financial Institution
By: _____
(Signature of Authorized Officer of Financial Institution)

Title

Title

NOTE: If the officer executing this instrument on behalf of the Financial Institution is not the President, a Vice President or a branch manager, attach a copy of certified resolution of the Board of Directors evidencing such officer's authority.

INDIVIDUAL ACKNOWLEDGMENT: (If individual is 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 PARTNERSHIP, CORPORATION 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(s) Signing)

as _____ of _____,
(Capacity, e.g., Partner, President, etc.) (Name of Operator)

a _____.
(Partnership, Corporation or Limited Liability Company)

(Notary Public)

SEAL

My Commission Expires:

FINANCIAL INSTITUTION ACKNOWLEDGMENT:

State of New Mexico
County of _____

This Instrument was acknowledged before me on this _____ day of _____ 20____,

by _____
(Name of Officer)

as _____ of _____.
(Title) (Name of Financial Institution)

(Notary Public)

SEAL

My Commission Expires:
