

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

BOND NO. _____
(Issued by OCD)

CASH PLUGGING BOND
for Geothermal Injection Wells

_____, ("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,
injection wells for geothermal operations in the State of New Mexico, for which operator has obtained or will seek
to obtain permits as Class V injection wells pursuant to 20.6.2.5006 NMAC. This bond is submitted to comply with
the financial assurance requirement of 20.6.2.3107 NMAC and other applicable rules of the New Mexico Water
Quality Control Commission (NMWQCC) with respect to such wells, which are more particularly described in
Exhibit A attached hereto (the subject wells).

OPERATOR has deposited on behalf of the DIVISION the sum of **Fifty Thousand Dollars (\$50,000)**
with _____ ("FINANCIAL INSTITUTION") in the account indicated on, and
subject to the terms of, the Assignment of Cash Collateral filed with this bond. OPERATOR pledges this sum as
financial assurance that it or its successors or personal representatives will cause the subject wells to be properly
plugged and abandoned when no longer useful for other beneficial purpose, and will comply with all provisions of
any closure plan(s) approved or discharge permits granted by the Division with respect to such wells, in accordance
with all applicable rules and orders of the NMWQCC, including but not limited to applicable provisions of 20.6.2
NMAC, as the same now exist or may be hereafter amended. If OPERATOR does not wholly comply with all of the
foregoing provisions and requirements and with all applicable rules and orders of the NMWQCC and the Division
with respect to the subject wells, this bond may be forfeited to the DIVISION. If the principal sum of this bond is
less than the actual cost incurred by the DIVISION to remedy any non-compliance of Operator with any of the
provisions of this bond or rules referred to herein, or any other applicable rules or orders, OPERATOR, its
successors or personal representatives, shall be liable for such deficiency, and the DIVISION may initiate action to
recover same.

If OPERATOR or its successors, heirs, personal representatives or assigns cause all of the subject wells to
be properly plugged and abandoned in accordance with all applicable rules and orders of the NMWQCC and the
DIVISION and Operator's approved closure plan and discharge permit, as above described, and otherwise complies
wholly with the obligations described herein and with any and all permits, rules and orders applicable to the subject
wells, then, upon plugging and final abandonment of all of the subject wells, this bond 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

Return to: **Oil Conservation Division**
1220 South Saint Francis
Santa Fe, NM 87505

By _____
Signature

Title

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 _____