

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

**BOND NO.** \_\_\_\_\_  
(Issued by OCD)  
**WELL DEPTH** \_\_\_\_\_  
**AMOUNT OF BOND** \_\_\_\_\_

**Note: Bond Amount is \$5,000 plus \$1.00 per foot of projected depth for a proposed well or the measured depth of an existing well for Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval and San Juan counties ONLY. For ALL OTHER counties, the amount is \$10,000 plus \$1.00 per foot.**

**SINGLE-WELL 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), Corporation, Partnership, 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 \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) upon the following conditions:

OPERATOR desires to drill a well, or to acquire or operate an existing well, or does own or operate an existing well the depth of which does not exceed \_\_\_\_\_ feet, to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas or brine minerals or an injection or other service well in the State of New Mexico, the particular identification and footage location of said well being as follows:

\_\_\_\_\_ (well name), API No. 30-0 \_\_\_\_\_, located \_\_\_\_\_ feet  
from the \_\_\_\_\_ (North/South) line and \_\_\_\_\_ feet from the \_\_\_\_\_ (East/West) line in  
Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_, NMPM, \_\_\_\_\_ County, New Mexico.

OPERATOR has deposited on behalf of the DIVISION the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), with \_\_\_\_\_ ("FINANCIAL INSTITUTION") in account no. \_\_\_\_\_, 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 the above-described well to be properly plugged and abandoned 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 25.10 [19.15.25.10 NMAC], as the same now exist or may be hereafter amended. If OPERATOR does not properly plug and abandon said well, 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 well in accordance with Rules 8.9 and 25.10 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 the same.

If OPERATOR or its successors, heirs, personal representatives or assigns shall cause the above-described well 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 \_\_\_\_\_,  
**(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** \_\_\_\_\_