

**GTLT - \_\_\_\_\_4\_\_\_\_\_**

**BONDS**

## Chavez, Carl J, EMNRD

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**From:** Chavez, Carl J, EMNRD  
**Sent:** Friday, May 22, 2015 9:13 AM  
**To:** dseawright@gmail.com  
**Subject:** AmeriCulture, Inc. (GTLT-004) State Bonding Requirement for Federal Well No. 1

Damon:

Good morning. The New Mexico Oil Conservation Division (OCD) is following up from yesterday's telephone call and the above subject state well bonding requirement.

OCD requires that AmeriCulture submit a state well bond for the Federal Well No. 1 under 19.14.20 NMAC within 60-days of the date of this communiqué or by COB on Tuesday, July 21, 2015.

Please contact me if you have questions. Thank you.

### **Carl J. Chavez, CHMM**

New Mexico Energy, Minerals & Natural Resources Department  
Oil Conservation Division, Environmental Bureau  
1220 South St. Francis Drive, Santa Fe, New Mexico 87505  
O: (505) 476-3490

E-mail: [CarlJ.Chavez@State.NM.US](mailto:CarlJ.Chavez@State.NM.US)

Web: <http://www.emnrd.state.nm.us/oed/>

**“Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?”** To see how, please go to: “Pollution Prevention & Waste Minimization” at

<http://www.emnrd.state.nm.us/oed/environmental.htm#environmental>





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor

**Jennifer A. Salisbury**

Cabinet Secretary

**Lori Wrotenbery**

Director

**Oil Conservation Division**

September 22, 2001

Mr. Gary Seawright  
AmeriCulture, Inc.  
190 Central Park Square  
Los Alamos, NM 87544

Re: \$3,000 Single Well Geothermal Cash Bond  
AmeriCulture, Inc., Principal  
Los Alamos National Bank, Depository – Acct No. [REDACTED]  
319' FNL and 825' FEL of Section 7,  
Township 25 South, Range 19 West,  
Hidalgo County, New Mexico  
Bond No. OCD-704

Dear Mr. Seawright:

The New Mexico Oil Conservation Division hereby approves the above-captioned Single-Well Geothermal cash bond.

Sincerely,

**DAVID K. BROOKS**

Assistant General Counsel

DKB/dp

cc: Oil Conservation Division – Santa Fe

Los Alamos National Bank  
1200 Trinity Drive  
Los Alamos, NM 87544

OC.D  
104

GEOTHERMAL  
ONE-WELL CASH BOND

KNOW ALL MEN BY THESE PRESENTS THAT AmeriCulture, Inc. (an individual) (a partnership) (a corporation organized in the State of New Mexico with its principal office at 190 Central Park Square in the City of Los Alamos, State of New Mexico and authorized to do business in the State of New Mexico) is held and firmly bound to the Oil Conservation Division of the Energy, Minerals and Natural Resources Department of the State of New Mexico (or its successor agency), as DIVISION in the sum of \$ 3000.00.

The conditions of this obligation are such that:

The PRINCIPAL desires to drill a well or purchase or operate an existing well, the depth of which does not exceed 2,000 feet, to prospect for and produce oil or gas, carbon dioxide gas, helium gas or brine minerals on property in the State of New Mexico, the particular identification and footage location of said well being as follows:  
(well name and footage) 319 feet from the North Line and 825 feet from the East Line in Section 7 Township 25S Range 19W, NMPM, Hidalgo County, New Mexico.

The PRINCIPAL has deposited on behalf of the DIVISION \$ 3000.00, in the manner indicated on the Assignment, attached to this bond, being the principal sum intended to be secured. PRINCIPAL pledges this sum as a guarantee that it, its executors, assigns, heirs or administrators shall plug the well described above if dry, or when abandoned, in accordance with the rules and orders of the DIVISION in such way as to confine the oil, gas and water in the strata in which they are found, and to prevent same from escaping to other strata. If the PRINCIPAL does not so properly plug and abandon said well upon order of the DIVISION, the total sum of the bond shall be forfeited to the DIVISION, and such amount as is necessary may be used to properly plug said well. If the principal sum of this bond is less than the actual cost incurred by the DIVISION in plugging said well, the PRINCIPAL, its successors, assigns, heirs or administrators shall be liable under the provisions of NMSA 1978, Section 70-2-38 of the Oil and Gas Act, and the DIVISION may take action to recover any amounts expended over and above the principal sum of the bond.

NOW THEREFORE, if the PRICIPAL or its successors, assigns, heirs, or administrators or any of them shall plug the above-described well when dry or abandoned, in accordance with the rules and orders of the DIVISION, in such a manner as to confine the oil, gas, and water in the strata in which they naturally occur, and to prevent them from escaping into other strata, and further to clean up the surface location of said well, then therefore, this obligation shall be null and void and the principal sum shall be paid to the PRINCIPAL or its successors, heirs, or administrator, otherwise it shall remain in full force and effect.

<u>AmeriCulture, Inc</u>			
PRINCIPAL			
<u>190 Central Park Square</u>	<u>Los Alamos</u>	<u>New Mexico</u>	<u>87544</u>
Address	City	State	Zip
By <u>[Signature]</u>	<u>9/19/01</u>	By <u>Gary L. Seawright</u>	
Signature			
<u>President</u>			
Title			

ACKNOWLEDGMENT FORM FOR INDIVIDUALS OR PARTNERSHIPS

STATE OF \_\_\_\_\_ )

ss.

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My Commission Expires

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF New Mexico )

ss.

COUNTY OF Santa Fe )

On this 19<sup>th</sup> day of September, 2001, before me personally appeared Ray A. Zent, to me personally known who, being by me duly sworn, did say that he is President of AmeriCulture, Inc. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

Denise M. Zent  
Notary Public

1-6-04  
My Commission Expires

APPROVED BY:

Oil Conservation Division of New Mexico

By David K. Blom

Date 9/21/01

Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval, and San Juan Counties, New Mexico:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 5,000
5,000 feet to 10,000 feet	\$ 7,500
More than 10,000 feet	\$10,000

All Other Counties in the State:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 7,500
5,000 feet to 10,000 feet	\$10,000
More than 10,000 feet	\$12,500

## ASSIGNMENT OF CASH COLLATERAL DEPOSIT

AmeriCulture, Inc. (OPERATOR) of Los Alamos, New Mexico (address) has deposited with the Los Alamos National Bank (name of state or national bank or savings association, which must be a federally-insured bank or savings institution in the State of New Mexico) of Los Alamos, New Mexico (address) (FINANCIAL INSTITUTION), the sum of \$3,000 dollars in Certificate of Deposit or Savings Account No. 0075777230 Sen (FUND).

To comply with NMSA 1978, Section 70-2-14, OPERATOR hereby assigns and conveys all right, title and interest in the FUND to the FINANCIAL INSTITUTION in trust for the Oil Conservation Division of the Energy, Minerals and Natural Resources Department or successor agency of the State of New Mexico (DIVISION).

OPERATOR and the 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, or to the OPERATOR upon sale or proper plugging, in compliance with the rules and orders of the DIVISION, of the well(s) covered by this assignment.
- b. OPERATOR retains no legal or beneficial interest in the FUND and has only the right to interest, if any, thereon, and to return of the FUND upon written order of the DIVISION.
- c. The FINANCIAL INSTITUTION agrees that the FUND may not be assigned, transferred, pledged or distributed except upon written order of the DIVISION or a court of competent jurisdiction made in a proceeding to which the DIVISION is a party. The FINANCIAL INSTITUTION waives all statutory or common law liens or rights of set-off against the FUND.

OPERATOR agrees that the FINANCIAL INSTITUTION may deduct from interest due OPERATOR any attorney fees incurred by the FINANCIAL INSTITUTION if claim or demand via writ, summons or other process arising from OPERATOR'S business is made upon the FINANCIAL INSTITUTION.

Sam Reigh  
Signature of OPERATOR  
Personally or by Authorized Officer

Sam Reigh  
President  
Title

State of New Mexico  
County of Los Alamos ss.

[Signature]  
Signature of Authorized Officer  
of FINANCIAL INSTITUTION

T.M. THORN VICE PRESIDENT  
Title

On this 19 day of Sept, 20 01, before me personally appeared Tammy Thorn and Gary L. Seawright, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed. Candy Waisner  
Comp. Exp. 12-21-03

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in

# Time Certificate of Deposit

Financial Institution: Los Alamos National Bank  
1200 Trinity Drive, Los Alamos, NM 87544

301259

Account Name: Americulture, Inc. and Los Alamos National Bank as Escrow Agent  
for Assignment of Cash Collateral

SSN/TIN: [REDACTED]

Account Number	Issue Date	Deposit Amount	Term	Maturity Date
[REDACTED]	September 19, 2001	\$3,000.00	12 Months	September 19, 2002

**Rate Information:** This Account is an interest bearing account. The interest rate on the account is 3.95% with an annual percentage yield of 4.03%.

The interest rate and annual percentage yield will not change for the term of the account. The interest rate will be in effect until you close the account. Interest begins to accrue on the business day you deposit noncash items (for example, checks). Interest will be compounded daily and will be credited to the account at maturity. Interest on your account will be credited by adding the interest to the principal. The annual percentage yield assumes interest will remain on deposit until maturity. A withdrawal will reduce earnings.

**Balance Information:** We use the daily balance method to calculate the interest on the account. This method applies a daily periodic rate to the principal in the account each day. We will use an interest accrual basis of 365 for each day in the year. You must maintain a minimum balance of \$0.01 in the account each day to obtain the disclosed annual percentage yield.

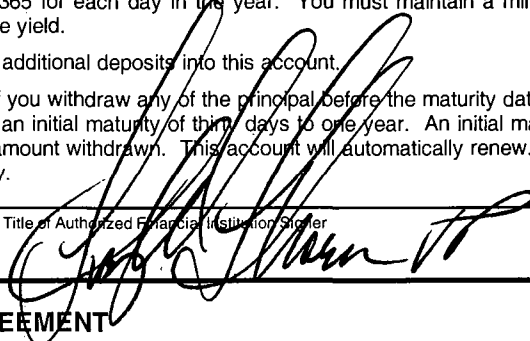
**Limitations:** You must deposit \$500.00 to open this account. You may not make additional deposits into this account.

**Time Account Information:** Your account will mature on September 19, 2002. If you withdraw any of the principal before the maturity date, we will impose a penalty of one month's loss of interest on the amount withdrawn for an initial maturity of thirty days to one year. An initial maturity of more than one year will incur a penalty of three month's loss of interest on the amount withdrawn. This account will automatically renew. You will have 10 calendar days after the maturity date to withdraw funds without penalty.

NON TRANSFERABLE - NON NEGOTIABLE

Member  
FDIC

Signature and Title of Authorized Financial Institution Signer



## TIME DEPOSIT AGREEMENT

We appreciate your decision to open a time deposit account with us. This Agreement sets forth certain conditions, rates, and rules that are specific to your Account. Each signer acknowledges that the Account Holder named has placed on deposit with the Financial Institution the Deposit Amount indicated, and has agreed to keep the funds on deposit until the Maturity Date. As used in this Agreement, the words "you", "your" or "yours" mean the Account Holder(s), the word "Account" means this Time Deposit Account and the word "Agreement" means this Time Deposit Agreement, and the words "we", "us" and "our" mean the Financial Institution. This Account is effective as of the Issue Date and is valid as of the date we receive credit for noncash items (such as checks drawn on other financial institutions) deposited to open the Account. Deposits of foreign currency will be converted to U.S. funds as of the date of deposit and will be reflected as such on our records.

**INTEREST RATE.** The interest rate is the annual rate of interest paid on the Account which does not reflect compounding ("Interest Rate"), and is based upon the interest accrual basis described above.

**AUTOMATIC RENEWAL POLICY.** If the Account will automatically renew as described above, the principal amount and all paid earned interest that has not been withdrawn will automatically renew on each Maturity Date for an identical period of time as the original deposit term. Interest on renewed accounts will be calculated at the interest rate then in effect for time deposits of that Deposit Amount and term. If you wish to withdraw funds from your Account, you must notify us during the grace period after the Maturity Date.

**EARLY WITHDRAWAL PENALTY.** You have agreed to keep the funds on deposit until the Maturity Date of your Account. Any withdrawal of all or part of the funds from your Account prior to maturity may result in an early withdrawal penalty. We will consider requests for early withdrawal and, if granted, the penalty as specified above will apply.

**Minimum Required Penalty.** If you withdraw money within six (6) days after the date of deposit, the Minimum Required penalty is seven (7) days' simple interest on the withdrawn funds. If partial early withdrawal(s) are permitted, we are required to impose the Minimum Required Penalty on the amount(s) withdrawn within six (6) days after each partial withdrawal. The early withdrawal penalty may be more than the Minimum Required Penalty. You pay the early withdrawal penalty by forfeiting part of the accrued interest on the Account. If your Account has not earned enough interest, or if the interest has been paid, we take the difference from the principal amount of your Account.

**Exceptions.** We may let you withdraw money from your Account before the Maturity Date without an early withdrawal penalty: (1) when one or more of you dies or is determined legally incompetent by a court or other administrative body of competent jurisdiction; or (2) when the Account is an Individual Retirement Account (IRA) established in accordance with 26 USC 408 and the money is paid within seven (7) days after the Account is opened; or (3) when the Account is a Keogh Plan (Keogh), if you forfeit at least the interest earned on the withdrawn funds; or (4) if the Account is an IRA or a Keogh Plan established pursuant to 26 USC 408 or 26 USC 401, when you reach age 59 1/2 or become disabled; or (5) within an applicable grace period (if any).

**RIGHT OF SETOFF.** Subject to applicable law, we may exercise our right of setoff or security interest against any and all of your Accounts (except IRA, Keogh plan and Trust Accounts) without notice, for any liability or debt of any of you, whether joint or individual, whether direct or contingent, whether now or hereafter existing, and whether arising from overdrafts, endorsements, guarantees, loans, attachments, garnishments, levies, attorneys' fees, or other obligations. If the Account is a joint or multiple-party account, each joint or multiple-party account holder authorizes us to exercise our right of setoff against any and all Accounts of each Account Holder.

**OTHER ACCOUNT RULES.** The following rules also apply to the Account.

**Surrender of Instrument.** We may require you to endorse and surrender this Agreement to us when you withdraw funds, transfer or close your Account. If you lose this Agreement, you agree to sign any affidavit of lost instrument, or other Agreement we may require, and agree to hold us harmless from liability, prior to our honoring your withdrawal or request.

**Death of Account Holder.** Each Account Holder agrees to notify us immediately upon the death of any other Account Holder. You agree that we may hold the funds in your Account until we have received all required documentation and instructions.

**Indemnity.** If you ask us to follow instructions that we believe might expose us to any claim, liability or damages, we may refuse to follow your instructions or may require a bond or other protection, including your agreement to indemnify us.

**Pledge.** You agree not to pledge your Account without our prior consent. You may not withdraw funds from your Account until all obligations secured by your Account are satisfied.

GEO THERMAL  
SINGLE WELL CASH BOND

OCD-576

Know all men by these presents that AmeriCulture, Inc.  
(an individual) (a partnership) (a corporation organized  
in the State of \_\_\_\_\_ with its principal office at 536 Paul Place  
in the city of Los Alamos, State of New Mexico  
and authorized to do business in the State of New Mexico) is held and firmly bound to  
the Oil Conservation Division of the State of New Mexico (or its successor agency) in  
the sum of \$2,000 (Two Thousand), lawful money of  
the United States.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

The above applicant/operator desires to drill a well or purchase or operate an  
existing well, the depth of which does not exceed 490 feet, to  
prospect for and produce oil, gas, or carbon dioxide resources on land owned by  
private individuals or the State of New Mexico, the particular identification and  
footage location of said well being as follows: 630 feet from the North  
Line of Sec. 7 990' Feet East in Section 7, Township  
25S, Range 19W, NMPM, H. Idaho County, New Mexico.

The applicant has deposited on behalf of the Division \$2,000, in the manner  
indicated on the attachment to this bond being the principal sum intended to be  
secured. Applicant pledges this sum as a guarantee that it, its executors, assigns,  
heirs or administrators shall plug the well described above if dry, or when abandoned,  
in accordance with the rules and orders of the Oil Conservation Division of the State  
of New Mexico in such way as to confine the oil, gas, and water in the strata in which  
they are found, and to prevent same from escaping to other strata. If the applicant  
does not so properly plug and abandon said well upon order of the Division, the total  
sum of the bond shall be forfeited to the Division, and such amount as is necessary  
may be used to properly plug said well. If the principal sum of this bond is less  
than the actual cost incurred by the Division in plugging said well, the applicant,  
its successors, assigns, heirs or administrators shall be liable under the provisions  
of Section 70-2-38 NMSA (1978) of the Oil and Gas Act, and the Division may take  
action, including the filing of legal proceedings, to recover any amounts expended  
over and above the principal sum of the bond.

NOW THEREFORE, if the above applicant or its successors, assigns, heirs, or  
administrators or any of them shall plug the above-described well when dry or  
abandoned, in accordance with the rules, regulations, and orders of the Division, in  
such a manner as to confine the oil, gas, and water in the strata in which they  
naturally occur, and to prevent them from escaping into other strata, and further to  
clean up the surface location of said well, then therefore, this obligation shall be  
null and void and the principal sum shall be paid to the applicant, or its successors,  
heirs, or administrator, otherwise it shall remain in full force and effect.

[Signature] AmeriCulture, Inc.  
Operator-

HC 65/PO 260 C/ ALMAS, NM 88020

Address

By [Signature]  
Signature

By \_\_\_\_\_

President

Title



## ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

GEOTHERMAL SINGLE WELL  
BOND FORM - PAGE 2STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_

## ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF New Mexico )  
COUNTY OF Los Alamos ) ss.

On this 28<sup>th</sup> day of May, 1996, before me personally appeared Harry L. Seawright, to me personally known who, being by me duly sworn, did say that he is President of Ameri Culture, Inc. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public3-29-97  
My Commission expires \_\_\_\_\_

Return to:

Oil Conservation Division  
2040 So. Pacheco  
Santa Fe, NM 87505

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By \_\_\_\_\_

Date \_\_\_\_\_

## ASSIGNMENT OF CASH COLLATERAL DEPOSIT

(Must be a federally-insured bank or savings institution  
within the State of New Mexico)Date May 28, 1996

OCD-576

Pursuant to Section 70-2-14, NMSA (1978), or successor provisions, AmeriCulture, Inc. (hereinafter referred to as "operator") of \_\_\_\_\_ (address) has deposited with the National Bank (name of state or national bank or savings association) of Los Alamos P.O. Box 60, Los Alamos, NM 87544 (address) (herein termed financial institution), the sum of \$2,000 dollars in Certificate of Deposit or savings account No. \_\_\_\_\_. Operator hereby assigns and conveys all right, title and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy and Minerals Department or successor agency of the State of New Mexico. Operator and the financial institution agree that as to the deposited sum or fund:

- The Oil Conservation Division acquires by this assignment the entire beneficial interest in the fund, with the right to order the trustee 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, or to the operator upon sale or proper plugging of the well covered by this bond.
- Operator retains no legal or beneficial interest in the fund and has only the right to interest, if any, thereon, and to return of the fund upon written order of the Division.
- The financial institution agrees that the fund may not be assigned, transferred, pledged or distributed except upon written order of the Division or a court of competent jurisdiction made in a proceeding in which the Division is a party. The financial institution waives all statutory or common law liens or rights of set-off against the fund.

Operator agrees that the financial institution may deduct from interest due operator any attorney fees incurred by the financial institution if claim or demand via writ, summons or other process arising from operator's business is made upon the financial institution.

Tammy R. Rangel  
Signature of Operator,  
Personally or by Authorized Officer

President  
Title

Phil S. [Signature]  
Signature of Authorized Officer of  
Financial Institution

Senior Vice President  
Title

STATE OF NEW MEXICO

COUNTY OF Los Alamos ) ss.

On this 28th day of May, 19 96, before me personally appeared Tammy R. Rangel and \_\_\_\_\_, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

My Commission expires:

3-29-97

[Signature]  
NOTARY PUBLIC

# Certificate of Deposit Record

112784

**Los Alamos National Bank**

member FDIC

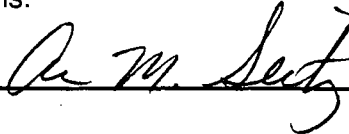
P.O. Box 60, Los Alamos, NM 87544  
(505) 662-5171 or (505) 672-3853

**\*\*AMERICULTURE, INC.\*\***  
536 PAUL PLACE  
LOS ALAMOS, NM 87544-3533

Account Number: [REDACTED]  
Deposit Amount: **\*\*2,000.00\*\***  
Rate: **\*\*5.750%\*\***  
Issue Date: 5/28/96  
Maturity Date: 5/28/97  
Tax ID: [REDACTED]  
Term: 12 MONTHS  
Compounding: COMPOUNDED DAILY  
Base: 365/366 DAYS

IRA: NO  
Automatically Renewable: YES  
Interest Payment Instructions: TO BE PAID AT MATURITY

Authorized Signature: \_\_\_\_\_



## PENALTY DISCLOSURE:

Unless an account owner dies or is declared incompetent, we are not obligated to pay this deposit before its maturity date, regardless of the frequency with which we may do so as a matter of practice. Except for death or incompetency of an account owner we will impose a substantial penalty if we consent to early withdrawal. The penalty will be calculated on the amount withdrawn at the simple interest rate in effect at the time of withdrawal. If the penalty exceeds the earned and unpaid interest due, we will withhold the remaining penalty from the principal.

The following penalties are applicable for withdrawing funds from a Certificate of Deposit before the maturity date.

Initial maturity of 30 days to one year will incur a penalty of one month's loss of interest on the amount withdrawn.

Initial maturity of more than one year will incur a penalty of three month's loss of interest on the amount withdrawn.

**Non-Negotiable/Non-Transferrable**  
**Original-Customer Record/Copy-Bank Record**

Deluxe N 69676



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

May 29, 1996

AmeriCulture, Inc.  
536 Paul Place  
Los Alamos, NM 87544

Attention: Gary Seawright

Re: \$2,000 Geothermal Cash Bond  
AmeriCulture, Inc., Operator  
Los Alamos National Bank, Depository  
630' FNL and 990' FEL of Sec. 7,  
T-25-S, R-19-W, Hidalgo County  
Bond No. OCD-576

Dear Mr. Seawright:

The Oil Conservation Division hereby approves the above-referenced geothermal bond effective this date.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Roy Johnson - Santa Fe



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

May 29, 1996

AmeriCulture, Inc.  
536 Paul Place  
Los Alamos, NM 87544

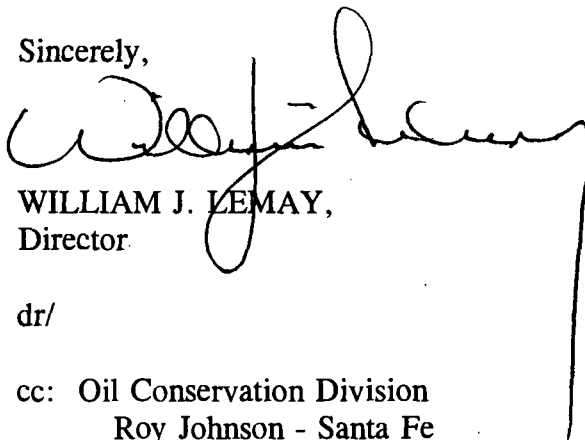
Attention: Gary Seawright

Re: \$2,000 Geothermal Cash Bond  
AmeriCulture, Inc., Operator  
Los Alamos National Bank, Depository  
630' FNL and 990' FEL of Sec. 7,  
T-25-S, R-19-W, Hidalgo County  
Bond No. OCD-576

Dear Mr. Seawright:

The Oil Conservation Division hereby approves the above-referenced geothermal bond effective this date.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Roy Johnson - Santa Fe

**AmeriCulture, Inc.**

536 Paul Place  
Los Alamos, NM 87544

May 28, 1996

Oil Conservation Division  
State of New Mexico  
2040 S. Pacheco  
Santa Fe NM 87505  
Attention: Ms. Diane Richardson

Dear Diane:

Enclosed is our application for a permit to drill a geothermal well on New Mexico Trust land in Cotton City, NM. The application package consists of executed copies of five sets each of Forms G101 and G102, one copy each the Geothermal Single Well Cash Bond and Assignment of Cash Collateral Deposit Forms, and a Certificate of Deposit Record from the Los Alamos National Bank.

The Cash Deposit Bond is being submitted now to avoid possible delays that might accompany our acquiring a Geothermal Observation Bond from a Surety Company. We are in the process of applying for such a bond, and when it is issued we will use it to replace the Cash Deposit Bond.

Thank you in advance for processing our application and for passing the appropriate information on to Roy Johnson.

Sincerely,



Gary L. Seawright  
President