

SINGLE WELL CASH BOND

Know all men by these presents that Floyd Johnson or Rob Matthews d/b/a
Rojo Grande LLC

(an individual) (a partnership) (a corporation) organized in the State of

New Mexico with its principal office at P O Box 248 in the city of

Artesia, 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 \$ Five Thousand & no/100 (\$ 5,000.00),
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 750 ft. 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:

(Well name and footage) Rampo State 26 990 ft from South, 2,310 ft. from West in

Section 36 Township 17S Range 27E, NMPM, Eddy
County, New Mexico.

The applicant has deposited on behalf of the Division \$ 5,000.00 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.

Floyd Johnson or Rob Matthews d/b/a
Rojo Grand LLC

Operator
P O Box 248 Artesia New Mexico 88210
Address City State Zip

By Floyd Johnson By _____
Signature

PARTNER
Title

Rojo Grande Company LLC

(Note: Principal, if corporation, affix corporate seal here)

Case 13980
OCD Exhibit No. 2-B

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

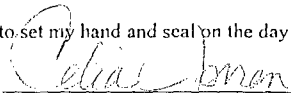
STATE OF New Mexico)

ss.

COUNTY OF Eddy)

On this 10th day of October, 19 2000, before me personally appeared Floyd Johnson, Partner, 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

07/11/03

My Commission Expires

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF _____)

ss.

COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____, to me personally known who, being by me duly sworn, did say that he is _____ 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 Public

My Commission Expires

APPROVED BY:

Oil Conservation Division of New Mexico

By _____

Date _____

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

Projected Depth of Proposed Well
or Actual Depth of Existing Well

Amount of Bond

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:

Projected Depth of Proposed Well
or Actual Depth of Existing Well

Amount of Bond

Less than 5,000 feet	\$ 7,500
5,000 feet to 10,000 feet	\$10,000
More than 10,000 feet	\$12,500