



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

August 6, 1985

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Kemper Group
P. O. Box 925
La Puente, Ca. 91747

Re: \$5,000 One-Well Plugging Bond
Charles W. Harle, Principal
American Manufacturers Mutual
Insurance Co., Surety
660' FNL and 1980' FWL of Sec. 35,
T-10-S, R-25-E, Chaves County
Bond No. 9SE-064-534

Gentlemen:

I am in receipt of your request for cancellation of the above-referenced plugging bond. I have checked with our Artesia district office and they have advised me that the well covered by this bond is plugged but there are several small items (incorrect P & A marker) that need to be changed.

I am notifying Mr. Harle, by copy of this letter, and he can contact Mr. Mike Williams in our Artesia office regarding this well.

Sincerely,

DIANE RICHARDSON
Administrator
Property Management Bureau

dr/



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

January 10, 1980

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

American Manufacturers Mutual
Insurance Co.
Chicago, Illinois

Re: \$5,000 One-Well Plugging Bond
Charles W. Harle, Principal
American Manufacturers Mutual
Insurance Co., Surety
660' FNL and 1980' FWL of
Sec. 35, T-10-S, R-25-E,
Chaves County, Depth: 5,000 ft.
Bond No. 9SE-064-534

Gentlemen:

The Oil Conservation Division hereby approves the
above-captioned one-well plugging bond.

Sincerely,

JOE D. RAMEY,
Director

JDR/ELP/dr

cc: Oil Conservation Division
Artesia, New Mexico

Mr. Charles W. Harle

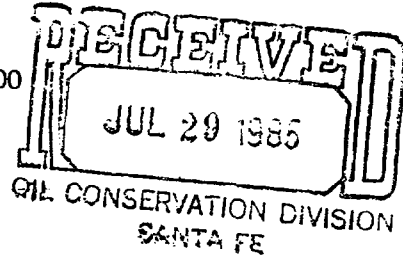
not checked
plugging not approved
trans 1-13-82
awaiting change
and mail

Do not conceal
14 A marker
not correct
contact
Mike Williams



Lumbermens Mutual Casualty Company • American Motorists Insurance Company
American Manufacturers Mutual Insurance Company • American Protection Insurance Company

17800 Castleton St. • City of Industry, CA • 91748
Mailing Address: P.O. Box 925 • La Puente, CA • 91747 • 818|369-7700



July 22, 1985

State of New Mexico
Energy & Minerals Dept.
P.O. Box 2088
Santa Fe, New Mexico 87501

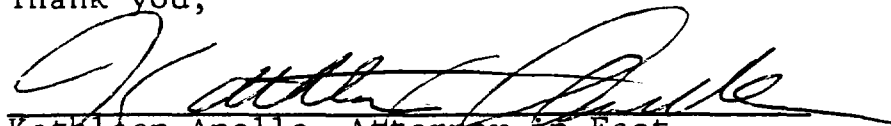
Bond No. : 9SE 064 534
Type of Bond : ONE WELL PLUGGING BOND
Principal : CHARLES W. HARLE
Address : P.O. Box 42 13
Brownwood, Texas 76801

Gentlemen:

The undersigned company which became surety upon this bond effective 12/26/79 in your favor hereby notifies you that it desires to cancel and terminate its liability.

Such cancellation will be effective 30 days after the receipt of this notice which is given to you in accordance with the cancellation provision in said bond.

Thank you,


Kathleen Anello, Attorney-in-Fact
AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

****IN ORDER TO PROPERLY PROCESS CANCELLATION,
PLEASE ACKNOWLEDGE RECEIPT OF THIS
CANCELLATION ON ATTACHED COPY AND RETURN
IN THE ENCLOSED SELF-ADDRESSED ENVELOPE.**

THANK YOU

DATE RECEIVED: _____

State of New Mexico
(Obligee) _____

By: _____

cc: Principal
KA:mm
LA 883 F&S

July 22, 1985

State of New Mexico
Energy & Minerals Dept.
P.O. Box 2088
Santa Fe, New Mexico 87501

Bond No. : 9SE 064 534
Type of Bond : ONE WELL PLUGGING BOND
Principal : CHARLES W. HARLE
Address : P.O. Box 42 13
Brownwood, Texas 76801

Gentlemen:

The undersigned company which became surety upon this bond effective 12/26/79 in your favor hereby notifies you that it desires to cancel and terminate its liability.

Such cancellation will be effective 30 days after the receipt of this notice which is given to you in accordance with the cancellation provision in said bond.

Thank you,

Kathleen Anello, Attorney-in-Fact
AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

****IN ORDER TO PROPERLY PROCESS CANCELLATION,
PLEASE ACKNOWLEDGE RECEIPT OF THIS
CANCELLATION ON ATTACHED COPY AND RETURN
IN THE ENCLOSED SELF-ADDRESSED ENVELOPE.**

THANK YOU

DATE RECEIVED: _____

State of New Mexico
(Obligee)

By: _____

cc: Principal
KA:mm
LA 883 F&S



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

March 23, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Kemper Group
10950 Grandview
Overland Park, Kansas 66210

Attention: Mary F. Reeves

Re: One-Well Plugging Bonds
for Charles W. Harle
Bond Nos. 9SE 064 533,
9SE-064-534, and 0SE 585-657

Gentlemen:

I am in receipt of your letter of March 16, 1983,
in which you request the status of the above-referenced
bonds.

Our Artesia office has advised me that these wells
still have not been plugged; therefore, I am unable to
cancel the bonds at this time. As soon as Mr. Harle
complies with the instructions on these wells, I will
proceed with the cancellation.

Sincerely,

Florene Davidson
Staff Specialist

fd/



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

December 15, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Kemper Group Insurance
10950 Grandview
Overland Park, Kansas 66210

Attention: Mary F. Reeves

Re: One-Well Plugging Bonds for
Charles W. Harle

Dear Ms. Reeves:

I am in receipt of your letter of December 7, 1982, requesting cancellation of four bonds for Charles W. Harle. Enclosed please find our letter cancelling Bond No. 9SE 064 531, the only bond which can be cancelled at this time.

Our Artesia district office has advised me that they will contact Mr. Harle regarding the remaining bonds. Just as soon as he complies with their instructions on the remaining wells covered by these bonds, I will proceed with the cancellation.

Sincerely,

DIANE RICHARDSON
Administrative Secretary
505 827-5806

dr/

NOV 21 1980

KEMPER GROUP

Lumbermens Mutual Casualty Company • American Motorists Insurance Company
American Manufacturers Mutual Insurance Company • American Protection Insurance Company

10950 Grandview, Overland Park, Kansas 66210 • 913/341-9880

CERTIFIED MAIL #3510606
RETURN RECEIPT REQUESTED

OK to cancel

CANCELATION NOTICE

INSURED State of New Mexico
Energy and Minerals Department
ADDRESS Oil Conservation Division
P.O. Box 2088
CITY AND STATE Santa Fe, New Mexico 87501

DATE 11-18-80

The undersigned Company upon Bond No. 9SE 064 534 effective the 26th day of
December, 1979 on behalf of CHARLES W. HARLE

in your favor hereby notifies you that it desires to cancel and does hereby cancel said Bond as
an entirety.

such cancellation to become effective thirty days after the receipt of this notice.

This notice is given to you in accordance with the cancellation provision in said Bond

CC: RBS Insurance
P.O. Box 280
Roswell, NM 88201

AMERICAN MANUFACTURER MUTUAL INSURANCE COMPANY

CC: Charles W. Harle
500 W Crockett, Box 1101
Sonora, Texas 76950

By Mary F. Reeves
Mary F. Reeves

ATTORNEY-IN-FACT
PRINTED IN U.S.A.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

December 1, 1980

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

American Manufacturers Mutual
Insurance Company
10950 Grandview
Overland Park, Kansas 66210

Attention: Mary F. Reeves

Re: Cancellation Notices, Three \$5,000
One-Well Plugging Bonds for
Charles W. Harle, Principal

Gentlemen:

We are in receipt of your cancellation notices for three wells operated by Charles W. Harle. We cannot cancel these bonds at this time for the following reasons:

Bond No. 9SE 064 533. Mr. Harle needs to submit a plugging report - Form C-103. When the C-103 has been received, and approved, in the Artesia district office, we will cancel this bond.

Bond No. 9SE 064 534. Just as soon as our Artesia district office approves the plugging, we will proceed with cancellation of this bond.

Bond No. 0SE 585 657. Our Artesia office has informed us that drilling has been commenced on this location and we cannot, therefore, release this bond.

If you have any questions, please do not hesitate to contact me.

Sincerely,

(Ms.) DIANE RICHARDSON
Administrative Secretary
Legal Department

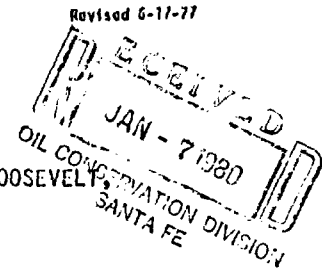
dr/

cc: Artesia district office

*Checked with
Artesia
1-21-80
still the
same as
12-1-80*

STATE OF NEW MEXICO
ONE WELL PLUGGING BOND

FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,
SANDOVAL, AND SAN JUAN COUNTIES ONLY



BOND NO. 9SE-064-534
(For Use of Surety Company)

AMOUNT OF BOND \$5,000.00

COUNTY Chaves

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00*
For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$7,500.00*
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

*Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet.

File with Oil Conservation Commission, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That CHARLES W. HARLE, (An individual) (a partnership)
(a corporation organized in the State of TEXAS, with its principal office in the city of
SONORA, State of TEXAS, and authorized to do business
in the State of New Mexico), as PRINCIPAL, and AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY, a
corporation organized and existing under the laws of the State of ILLINOIS,
and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New
Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New
Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of FIVE THOUSAND
Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and
SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide
(CO₂) gas leases, or helium gas leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide
(CO₂) gas leases, or helium gas leases on lands patented by the United States of America to private individuals, and
on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or
may commence the drilling of one well not to exceed a depth of 5,000 feet, to prospect for and produce oil
or gas, or carbon dioxide (CO₂) gas or helium gas, or does own or may acquire, own or operate such well, or such well
started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) leases, or helium gas leases,
and on land patented by the United States of America to private individuals, and on land otherwise owned by private
individuals, the identification and location of said well being 660' F.N.L. & 1980' F.W.L. of NE 1/4
of N.W. 1/4 Section 35, Township 10 ~~XXXX~~ (South), Range 25 (East) ~~XXXX~~ N.M.P.M.
Chaves County, New Mexico.
(Here state exact legal subdivision by 40-acre tract or lot)

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or
any of them, shall plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of
the Oil Conservation Commission 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 them from escaping into other strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with
any and all of said obligations, the same shall remain in full force and effect.

CHARLES W HARLE
PRINCIPAL
SONORA TEXAS
Address
By Charles W. Harle
Signature

AMERICAN MANUFACTURERS MUTUAL INS. CO.
SURETY
CHICAGO, ILLINOIS
Address
By Irish D. Schubert
Attorney-in-Fact

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

(Note: Corporate seal here.)



ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF Texas)
COUNTY OF Tarrant) ss.
On this 31st day of January, 19 80, before me personally appeared Charles W. Harle, 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.

8-31-80

Irish D. Schubert
Notary Public

My Commission expires

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF _____)
COUNTY OF _____) ss.
On this _____ day of _____, 19____, before me personally appeared _____, to me personally known who, being by me duly sworn, did say that he is _____ of _____ 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

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss.
On this 26th day of December, 19 79, before me appeared IRIS D. SCHUBERT, to me personally known, who, being by me duly sworn, did say that he is ATTORNEY-IN-FACT of American Manufacturers Mutual Ins. Co. 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.

January 7, 1983

My Commission expires

(Note: Corporate surety attach power of attorney.)

Gene Curtis
Notary Public

APPROVED BY:
OIL CONSERVATION COMMISSION OF NEW MEXICO

By John Roney
Date _____

AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

One Office: Long Grove, IL 60049



POWER OF ATTORNEY

Know All Men By These Presents:

That the American Manufacturers Mutual Insurance Company, a corporation organized and existing under the laws of the State of Illinois, and having its principal office in Long Grove, Illinois, does hereby appoint***** Harry E. Curtis and Iris D. Schubert of Roswell, New Mexico (EACH)*****

its true and lawful agent(s) and attorney(s)-in-fact, to make, execute, seal, and deliver during the period beginning with the date of issuance of this power and ending December 31, 1980, unless sooner revoked for and on its behalf as surety, and as its act and deed: Any and all bonds and undertakings provided the amount of no one bond or undertaking exceeds ONE HUNDRED THOUSAND DOLLARS (\$100,000.00)*****

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver any bond or undertaking which guarantees the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

This appointment may be revoked at any time by the American Manufacturers Mutual Insurance Company.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said American Manufacturers Mutual Insurance Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Long Grove, Illinois.

THIS APPOINTMENT SHALL CEASE AND TERMINATE WITHOUT NOTICE AS OF DECEMBER 31, 1980

This Power of Attorney is executed by authority of a resolution adopted by the Board of Directors of said American Manufacturers Mutual Insurance Company on March 29, 1962 at New York, New York, a true and accurate copy of which is hereinafter set forth and is hereby certified to by the undersigned Secretary or Assistant Secretary as being in full force and effect:

"VOTED, That the President or any Vice President or Secretary or any Assistant Secretary shall have power and authority to appoint attorneys in fact, and to authorize them to execute on behalf of the company, and attach the seal of the company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and to accept service of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the Board of Directors of the company at a meeting duly called and held on the 7th day of June, 1962:

"VOTED, That the signature of the President, any Vice President, Secretary or Assistant Secretary, and the Seal of the Company, and the certification by any Secretary or Assistant Secretary, may be affixed by facsimile on any power of attorney executed pursuant to resolution adopted by the Board of Directors on March 29, 1962, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company."

In Testimony Whereof, the American Manufacturers Mutual Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officers, this 27th day of November, 1978.

Attested and Certified:

AMERICAN MANUFACTURERS MUTUAL INSURANCE COMPANY

C. G. Swan



By

H. L. Kennicott, Jr.

H. L. Kennicott, Jr., Vice President

C. G. Swan, Secretary
STATE OF ILLINOIS
COUNTY OF McHENRY } ss

I, Jo Anne Krein, a Notary Public, do hereby certify that H. L. Kennicott, Jr. and C. G. Swan personally known to me to be the same persons whose names are respectively as Vice President and Secretary of the American Manufacturers Mutual Insurance Company, a Corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.



Jo Anne Krein

Jo Anne Krein, Notary Public

My commission expires: March 21, 1982

CERTIFICATION

I, Sven L. Johanson, Secretary of the American Manufacturers Mutual Insurance Company, do hereby certify that that attached Power of Attorney dated November 27, 1978 on behalf of Harry E. Curtis and Iris D. Schubert of Roswell, New Mexico (EACH) is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said H. L. Kennicott, Jr. and C. G. Swan who executed the Power of Attorney as Vice President and Secretary respectively were on the date of the execution of the attached Power of Attorney the duly elected Vice President and Secretary of the American Manufacturers Mutual Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the American Manufacturers Mutual Insurance Company on this 26th day of December, 1978



Sven L. Johanson

Sven L. Johanson, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

RECEIVED

MAR 24 1995

Oil Conservation Division

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION
DIVISION THROUGH THE SUPERVISOR OF DISTRICT II FOR
AN ORDER REQUIRING THE CHRISTOPHER #1 WELL LOCATED IN
UNIT B OF SEC. 32, T-06-S, R-26-E; THE ZIMMERMAN WELL NO. 2
LOCATED IN UNIT F AND AND THE ZIMMERMAN WELL NO. 3 LOCATED
IN UNIT C, BOTH IN SECTION 35, T-10-S, R-25-E, CHAVES COUNTY, NEW MEXICO,
TO BE PROPERLY PLUGGED, AUTHORIZING THE DIVISION TO PLUG SAID WELLS
AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. 11253

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Charles W. Harle, (hereinafter called "Operator") is the operator of the Christopher Well No. 1 located in Unit B of Sec. 32, T-6-S, R-26-E, the Zimmerman Wells Nos. 2 and 3 in Units F and C, of Section 35, T-10-S, R-25-E, Chaves County, New Mexico.

2. Charles W. Harle, as Operator, has posted surety bonds in the amount of \$5,000 for each of said wells in compliance with Section 70-2-14 N.M.S.A. 1978 and Rule 101 of the Rules and Regulations of the Oil Conservation Division, which bonds are conditioned upon compliance with the statutes of the State of New Mexico and the Rules and Regulations of the Division with respect to the proper plugging and abandonment of the wells operated by Operator.

3. American Employers' Insurance Company is surety on the bond, Bond No. AE 71344-11, for the Christopher #1 well, and American Manufacturers Mutual Insurance Co. is

surety on the bond, Bond No. 9SE-064-534, for the Zimmerman #2 well and the bond, Bond No. 9SE-064-533, for the Zimmerman #3 well.

4. The subject wells have not produced hydrocarbon substance or have otherwise been inactive for more than one year or are no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator and approved by the Division.

5. By virtue of the failure to use the wells for beneficial purposes or to have an approved current temporary abandonment permit, the subject wells are presumed to have been abandoned and are required to be plugged.

6. By authority of Section 70-2-12 N.M.S.A. 1978, the Rules and Regulations of the Division require wells which are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

7. Demand has been made upon the Operator to either place the subject wells to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same and the Operator has failed to do so.

WHEREFORE, the Supervisor of District II of the Oil Conservation Division applies to the Director to enter an order:

1. Determining whether or not Christopher No. 1, Zimmerman No. 2 and 3 wells should

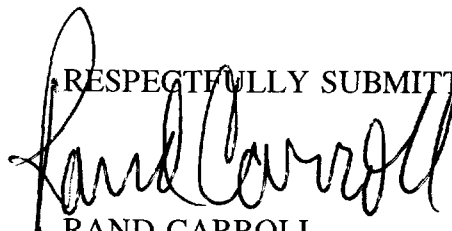
be plugged in accordance with a Division-approved plugging program.

2. Upon determination that said wells should be plugged directing Charles W. Harle. as Operator to plug said wells.

3. Further ordering that if operator fails to plug and abandon said wells as ordered by the Director, that the Division be authorized:

- a. to plug said wells;
- b. to declare forfeit on said bonds and to take such action to foreclose on said bonds; and
- c. to recover from the Operator any costs of plugging in excess of the amount of the bond, if any.

4. For such other and further relief as the Division seems just and proper.

RESPECTFULLY SUBMITTED,

RAND CARROLL,
Legal Counsel
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505
(505)827-8156