



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

GARREY CARRUTHERS  
GOVERNOR

March 19, 1990

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Woods Insurance Service  
P. O. Box 3830  
Farmington, New Mexico 87499

Attention: Ken Gehrke

Re: \$5,000 One-Well Plugging Bond  
**CMS Oilfield Services, Inc.**, Principal  
U. S. Fidelity and Guaranty, Surety  
1980' FSL and 1980' FEL of Sec. 23,  
T-32-N, R-1-W, Rio Arriba County  
Bond No. 01-0130-10204-89-1

Dear Mr. Gehrke:

I am in receipt of your request for cancellation of the above-referenced one-well plugging bond. I have checked with our Aztec district office and they have advised me that the well covered by this bond has not been transferred to another bonded operator as of this date. I cannot release this bond until such time as the proper paperwork has been filed.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Diane Richardson".

DIANE RICHARDSON  
Administrator  
Bond Department



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

GARREY CARRUTHERS  
GOVERNOR

April 28, 1989

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

*Do not cancel  
3-15-50  
Dorothy*

CMS Oilfield Services, Inc.  
P. O. Box 316  
Farmington, New Mexico 87499

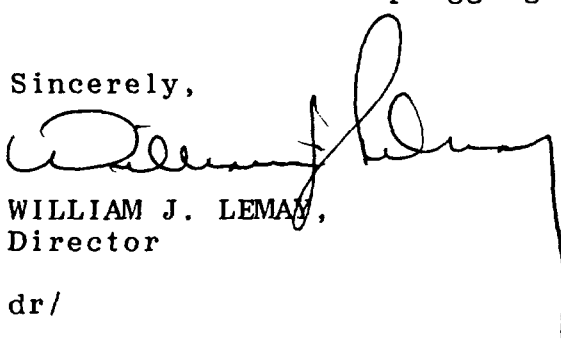
Attention: E. F. Webb

Re: \$5,000 One-Well Plugging Bond  
CMS Oilfield Services, Inc., Principal  
U. S. Fidelity and Guaranty, Surety  
1980' FSL and 1980' FEL of Sec. 23,  
T-32-N, R-1-W, Rio Arriba County  
Bond No. 01-0130-10204-89-1

Dear Mr. Webb:

The Oil Conservation Division hereby approves the above-referenced one-well plugging bond effective this date.

Sincerely,

  
WILLIAM J. LEMAN,  
Director

dr/

cc: Oil Conservation Division  
Aztec, New Mexico

WOODS INSURANCE SERVICE

A CORPORATION

March 16, 1990

State of New Mexico  
Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, NM 87501

Re: CMS Oilfield Services, Inc.

Gentlemen:

Enclosed is a copy of One Well Plugging Bond (01-0130-10204-89-1) for CMS Oilfield Services, Inc on a lease in Rio Arriba County.

CMS has sold this lease and would like to have this bond cancelled.

Please let me know what needs to be done in order for you to release this bond.

Sincerely,

WOODS INSURANCE SERVICE, INC.

*Ken Gehrke*

Ken Gehrke

KRG:ck

cc CMS Oilfield Services, Inc.  
P.O. Box 316  
Farmington, NM 87499



115 EAST MAIN • P. O. BOX 3830 • FARMINGTON, NEW MEXICO 87499 • (505) 326-1111 • FAX (505) 326-3130

STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

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

BOND NO. 01-0130-10204-89-1  
(For Use of Surety Company)

AMOUNT OF BOND 5,000.00

COUNTY Rio Arriba

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. For 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 10,499 feet. (See Rule 101)

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

KNOW ALL MEN BY THESE PRESENTS:

That CMS Oilfield Services, Inc., (An individual)(a partnership)  
(a corporation organized in the State of New Mexico, with its principal office in the city of  
Farmington, State of New Mexico, and authorized to do business  
in the State of New Mexico), as PRINCIPAL, and United States Fidelity and Guaranty Company, a  
corporation organized and existing under the laws of the State of Maryland,  
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 and 00/100  
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 (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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 4,999 feet, to prospect for and produce oil  
or gas, or carbon dioxide (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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 1980 feet from the south line and 1980 feet from

the East line, Section 23, Township 32N (Here state exact legal subdivision by 40 acre tract or lot)  
Rio Arriba County, New Mexico. (North) ~~36N~~ Range 1 (East) ~~10W~~ (West), N.M.P.M.

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.

CMS Oilfield Services, Inc.

PRINCIPAL

P.O. Box 316 Farmington, NM 87499

Address

By

E.F. Webb

Signature

President

Title

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

United States Fidelity and Guaranty Co.

SURETY

Baltimore, Maryland

Address

By

*Kenneth R. Gehrke*

Attorney-in Fact

Kenneth R. Gehrke

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE 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 San Juan ) ss.

On this 19th day of April, 19 89, before me personally appeared E. F. Webb, to me personally known who, being by me duly sworn, did say that he is President of CMS Oilfield Services, 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.

1-12-90

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

*Mildred J. Howe*  
Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF New Mexico )  
COUNTY OF San Juan ) ss.

On this 19th day of April, 19 89, before me appeared Kenneth R. Gehrke, to me personally known, who, being by me duly sworn, did say that he is Attorney in Fact of United States Fidelity and Guaranty 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.

1-12-90

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

(Note: Corporate surety attach power of attorney.)

*Mildred J. Howe*  
Notary Public

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By \_\_\_\_\_

Date \_\_\_\_\_

STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

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

BOND NO. 01-0130-10204-89-1  
(For Use of Surety Company)  
AMOUNT OF BOND 5,000.00  
COUNTY Rio Arriba

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. For 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 10,499 feet. (See Rule 101)

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

KNOW ALL MEN BY THESE PRESENTS:

That CMS Oilfield Services, Inc., (An individual) (a partnership)  
(a corporation organized in the State of New Mexico, with its principal office in the city of  
Farmington, State of New Mexico and authorized to do business  
in the State of New Mexico), as PRINCIPAL, and United States Fidelity and Guaranty Company, a  
corporation organized and existing under the laws of the State of Maryland,  
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 and 00/100  
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 (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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 4,999 feet, to prospect for and produce oil  
or gas, or carbon dioxide (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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 1980 feet from the south line and 1980 feet from  
the East line, Section 23, Township 32N, (Here state exact legal subdivision by 30 acre tract or lot)  
Rio Arriba County, New Mexico. (North) 30 Range 1 (East) (West), N.M.P.M.

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.

100.87

CMS Oilfield Services, Inc.

PRINCIPAL

P.O. Box 316 Farmington, NM 87499

Address

By E. F. Webb  
E. F. Webb

Signature

President

Title

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

United States Fidelity and Guaranty Co.

SURETY

Baltimore, Maryland

Address

By Kenneth R. Gehrke  
Kenneth R. Gehrke

Attorney-in Fact

Kenneth R. Gehrke

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE 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 San Juan ) ss.

On this 19th day of April, 1989, before me personally appeared E. F. Webb, to me personally known who, being by me duly sworn, did say that he is President of CMS Oilfield Services, 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.

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

1-12-90

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

(Note: Corporate surety attach power of attorney.)

Notary Public

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By [Signature]

Date \_\_\_\_\_

RECEIVED

APR 28 1989

OIL CONSERVATION DIV.  
SANTA FE

CERTIFIED COPY

GENERAL POWER OF ATTORNEY

No. 100863

*Know all Men by these Presents:*

That UNITED STATES FIDELITY AND GUARANTY COMPANY, a corporation organized and existing under the laws of the State of Maryland, and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint  
**Kenneth R. Gehrke**

of the City of **Farmington**, State of **New Mexico**  
its true and lawful attorney in and for the State of **New Mexico**

for the following purposes, to wit:

To sign its name as surety to, and to execute, seal and acknowledge any and all bonds, and to respectively do and perform any and all acts and things set forth in the resolution of the Board of Directors of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, a certified copy of which is hereto annexed and made a part of this Power of Attorney; and the said UNITED STATES FIDELITY AND GUARANTY COMPANY, through us, its Board of Directors, hereby ratifies and confirms all and whatsoever the said  
**Kenneth R. Gehrke**

may lawfully do in the premises by virtue of these presents.

*In Witness Whereof*, the said UNITED STATES FIDELITY AND GUARANTY COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice-President and Assistant Secretary, this **23rd** day of **September**, A. D. 1988

UNITED STATES FIDELITY AND GUARANTY COMPANY.

(Signed) **By..... Charles B. Watson**  
Vice-President.

(SEAL) (Signed) **Robert J. White**  
Assistant Secretary.

STATE OF MARYLAND. }  
BALTIMORE CITY, } ss:

On this **23rd** day of **September**, A. D. 19 **88**, before me personally came  
**Charles B. Watson**, Vice-President of the UNITED STATES FIDELITY AND GUARANTY  
COMPANY and **Robert J. White**, Assistant Secretary of said Company, with both of  
whom I am personally acquainted, who being by me severally duly sworn, said that they, the said **Charles B. Watson**  
and **Robert J. White** were respectively the Vice-President and the Assistant Secretary of the said UNITED  
STATES FIDELITY AND GUARANTY COMPANY, the corporation described in and which executed the foregoing Power of Attorney;  
that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was  
so fixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice-President  
and Assistant Secretary, respectively, of the Company.

My commission expires the first day in July, A. D. 19..... **90**

(SEAL) (Signed) **Margaret M. Hurst**  
Notary Public.



**COPY OF RESOLUTION**

*That Whereas*, it is necessary for the effectual transaction of business that this Company appoint agents and attorneys with power and authority to act for it and in its name in States other than Maryland, and in the Territories of the United States and in the Provinces and territories of Canada;

*Therefore, be it Resolved*, that this Company do, and it hereby does, authorize and empower its President or either of its Vice-Presidents in conjunction with its Secretary or one of its Assistant Secretaries, under its corporate seal, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of said Company, in its name and as its act, to execute and deliver any and all contracts guaranteeing the fidelity of persons holding positions of public or private trust, guaranteeing the performances of contracts other than insurance policies and executing or guaranteeing bonds and undertakings, required or permitted in all actions or proceedings, or by law allowed, and

*Also*, in its name and as its attorney or attorneys-in-fact, or agent or agents to execute and guarantee the conditions of any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of either of the same, which are or may by law, municipal or otherwise, or by any Statute of the United States or of any State or Territory of the United States or of the Provinces or territories of Canada, or by the rules, regulations, orders, customs, practice or discretion of any board, body, organization, office or officer, local, municipal or otherwise, be allowed, required or permitted to be executed, made, taken, given, tendered, accepted, filed or recorded for the security or protection of, by or for any person or persons, corporation, body, office, interest, municipality or other association or organization whatsoever, in any and all capacities whatsoever, conditioned for the doing or not doing of anything or any conditions which may be provided for in any such bond, recognizance, obligation, stipulation, or undertaking, or anything in the nature of either of the same.

I, **Michael W. Vann**, an Assistant Secretary of the UNITED STATES FIDELITY AND GUARANTY COMPANY, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney given by said Company to **Kenneth R. Gehrke**

of **Farmington, New Mexico**, authorizing and empowering **him** to sign bonds as therein set forth, which power of attorney has never been revoked and is still in full force and effect.

And I do further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company, duly called and held at the office of the Company in the City of Baltimore, on the 25th day of November, 1981, at which meeting a quorum of the Board of Directors was present, and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of said meeting.

*In Testimony Whereof*, I have hereunto set my hand and the seal of the UNITED STATES FIDELITY AND GUARANTY COMPANY on **April 19, 1989**

(Date)



Assistant Secretary.