

PRINCIPAL: J. Grimm, N. Hunt, G. Brown and Am-
Arctic Ltd.

SURETY: Travelers Indemnity Company

BOND NO.: 1623779

TYPE: \$12,000 Blanket

APPROVED: 6-29-70

CANCELLED:

WELL LOCATION:

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>OCD</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>11799</u>	

(1)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 29, 1970

Mr. James J. Bovenzi
The Travelers
First National Bank Building
Dallas, Texas 75202

Re: \$10,000 Blanket Plugging Bond,
Jack F. Grimm, Principal
The Travelers Indemnity Co.,
Surety, Bond No. 1623779

Dear Mr. Bovenzi:

The Oil Conservation Commission hereby approves
the above-captioned Blanket Plugging Bond.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/IRT/og

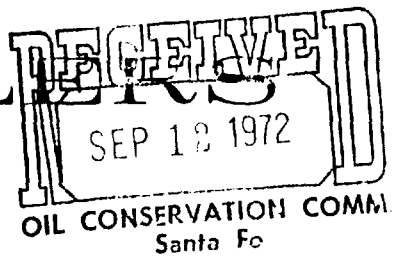
cc: Mr. Jack F. Grimm
Abilene, Texas

Oil Conservation Commission:
Artesia, Aztec, Hobbs

(2)

THE TRAVELERS

THE TRAVELERS INDEMNITY COMPANY



CHANGE RIDER

BOND NO 1623779	ON BEHALF OF Jack F. Grimm	
DATE OF BOND 6-15-70	IN FAVOR OF State of New Mexico	
ADDITIONAL PREMIUM \$ nil	RETURN PREMIUM \$ nil	EFFECTIVE DATE OF CHANGE August 29, 1972

This rider is to be attached to and form a part of the above described bond.

In consideration of the additional or return premium shown above the surety hereby gives its consent to change the
Principal's name from Jack F. Grimm to Jack F. Grimm, N. B. Hunt, George R. Brown,
and Am-Arctic, Ltd.

Provided, however, that the aggregate liability of the surety for any one or more losses occurring prior to the effective date of change shall not exceed \$10,000.00, or for any one or more losses occurring after said date exceed \$10,000.00. It is further understood that in no event shall the surety's liability be cumulative.

Signed and dated on August 29, 1972
(Month, day, year)

Jack F. Grimm,
Jack F. Grimm
N. B. Hunt
N. B. Hunt
George R. Brown
George R. Brown

THE TRAVELERS INDEMNITY COMPANY

By Deborah Dobbs
Deborah Dobbs, (Attorney in fact)

Accepted

Am-Arctic, Ltd.

X By: _____

By _____

NOTARY PUBLIC, TEXAS

COUNTY OF Harris

BEFORE ME, the undersigned authority,

in and for said County, Texas, on this day personally appeared Isaac H. Norman

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 7th day of September, A.D. 19 72

(L.S.)

Georgia R. Copeland

Notary Public, Harris County, Texas

STATE OF NEW MEXICO
\$10,000.00 BLANKET PLUGGING AND INDEMNITY BOND

BOND NO. 1623779
(For Use of Surety Company)

Note: File with Oil Conservation Commission, Santa Fe, New Mexico.)

NOW ALL MEN BY THESE PRESENTS:

That JACK F. GRIMM, (an individual) (~~XXXXXXXXXXXX~~ partnership), a corporation organized in the State of Texas, with its principal office in the city of Abilene, State of Texas, and authorized to do business in the State of New Mexico), as PRINCIPAL, and THE TRAVELERS INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of CONNECTICUT, and authorized to do business in the State of New Mexico with duly appointed resident agent licensed in the State of New Mexico to execute this bond on behalf of the surety company, 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, and for the use and benefit of purchasers holding purchase contract or deed to State lands, with minerals reserved, their grantees or successors in interest, pursuant to Section 7-11-20, New Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Ten Thousand (\$10,000.00) 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, Said leases were entered into by the said principal, subject to the requirements of the provisions of Section 7-11-20, New Mexico Statutes Annotated, 1953 Compilation, as amended; and

WHEREAS, All or part of the lands embraced in said leases have been sold, with minerals reserved to the State of New Mexico, to various purchasers who hold limited patents from the State of New Mexico or State purchase contracts; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or may commence the drilling of wells 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 wells, or such wells started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) gas leases, or helium gas leases, and on lands patented by the United States of America to private individuals, and on lands otherwise owned by private individuals, the identification and location of said wells being expressly waived by both principal and surety hereto.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall plug all of said wells 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;

AND FURTHER, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, upon demand shall make good and sufficient recompense, satisfaction or payment unto the holders of State purchase contracts or holders of patents for State lands, with minerals reserved to the State, their heirs, executors, administrators, successors and assigns, for all damages to the livestock, range, water, crops, or tangible improvements on such lands as may be suffered by such purchasers or their successors in interest, by reason of such development, use or occupancy of such lands by such lessee or principal, or for such damages as a court of competent jurisdiction may determine and fix in any action brought on this bond;

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.

PROVIDED, HOWEVER, That thirty (30) days after receipt by the Oil Conservation Commission of New Mexico of written notice of cancellation from the surety, the obligation of the surety hereunder shall terminate as to property or wells acquired, drilled, or started after said thirty (30) day period but shall continue in effect, notwithstanding said notice, as to property or wells theretofore acquired, drilled, or started.

Signed and sealed this 15th day of June, 19 70.

PRINCIPAL

SURETY

By Jack F. Grimm
Signature TitleBy James J. Bovenzi
Signature Attorney-in-Fact

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

(Note: Corporate surety affix corporate seal here.)

(Note: If corporate surety executes this bond by an attorney-in-fact not in New Mexico, the resident New Mexico agent shall countersign here below.)

Countersigned by:

Henry Ottmanns Jr.
New Mexico Resident Agent

Address

***** Acknowledgment Form for Natural Persons *****

STATE OF TEXAS)
COUNTY OF TAYLOR) ss.On this 15th day of June, 19 70, before me personally appeared JACK F. GRIMM, 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.

My Commission expires June 1, 1971June Mitchell
Notary Public
in and for Taylor County, Texas

***** 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.

My Commission expires _____

Notary Public

***** Acknowledgment Form for Corporate Surety *****

STATE OF TEXAS)
COUNTY OF DALLAS) ss.On this 15TH day of JUNE, 19 70, before me appeared JAMES J. BOVENZI to me personally known, who, being by me duly sworn, did say that ATTORNEY-IN-FACT, of THE TRAVELERS INDEMNITY 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.

My Commission expires JUNE 1, 1971Garnett Hill
Notary Public

(Note: Corporate surety attach power of attorney.)

APPROVED BY:

W. J. [Signature]
Commissioner of Public Lands

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By A. L. [Signature]

The Travelers Indemnity Company

Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

M. J. Boetel, James J. Bovenzi, Mary Helen Campa, Deborah Gill, Terry D. Ivey, Sam R. Kimmell, Don N. McElroy, Albert F. Topham, all of Dallas, Texas, EACH _____

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof _____

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 13. The Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President, any Second Vice President, any Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 15. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by any Secretary or any Department Secretary or any Assistant Secretary or when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President or any Second Vice President and counter-signed and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent; and any such bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority granted by his or their power or powers of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

This power of attorney revokes that dated October 22, 1969 on behalf of M. J. Boetel, James J. Bovenzi, Mary Helen Campa, F. Leslie Campbell, Jr., Dwight M. Dunlevie, Deborah Gill, Terry D. Ivey, Asa Jackson, Sam R. Kimmell, Don N. McElroy _____

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 7th day of April 1970 .



THE TRAVELERS INDEMNITY COMPANY

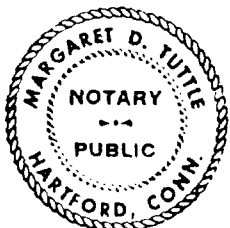
By

Wm A. Shrake

Secretary, Surety

State of Connecticut, County of Hartford—ss:

On this 7th day of April in the year 1970 before me personally came Wm. A. Shrake to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



Margaret D. Tuttle

Notary Public

My commission expires April 1, 1974