

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

July 22, 1991

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

Mr. Frank O. Cox
718 Byrd Drive
Abilene, Texas 79601

Re: \$7,500 Single Well Cash Bond
Frank O. Cox, Operator
330' FSL and 330' FWL of
Sec. 15, T-2-S, R-28-E, DeBaca County
Bond No. OCD-291

Dear Mr. Cox:

The Oil Conservation Division hereby approves the above-referenced plugging bond.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. Lemay".

for WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Artesia, New Mexico

BEFORE EXAMINER CATAVACH	
OIL CONSERVATION DIVISION	
<u>OCD</u>	EXHIBIT NO. <u>2</u>
CASE NO: <u>11943</u>	

OIL CONSERVATION DIVISION
RECEIVED

OCD-291

Form O & G 9CB
Adopted 6-1-36

'90 AUG 15 AM 8 35

SINGLE WELL CASH BOND

Know all men by these presents that FRANK O. COX
(an individual) (a partnership) (a corporation organized
in the State of _____ with its principal office at 718 BYRD DRIVE
in the city of ABILENE, State of TEXAS
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 \$ 7,500.00 Seven Thousand five hundred), lawful money of
the United States.

and no/100s

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 5,000 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: 330' from the S line and
330' from the W line in Section 15, Township
2 South, Range 28E, NMPM, DEBACA County, New Mexico.

The applicant has deposited on behalf of the Division \$ 7,500.00 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.

FRANK O. COX

OPERATOR

718 BYRD DR, ABILENE, TX 79601

Address

By

Signature

Title

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

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF TEXAS)
COUNTY OF TAYLOR) ss.

On this 10th day of August, 19 90, before me personally appeared FRANK O. COX, 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 12-22-92
Pam Rosemus Notary Public
My Commission expires

ACKNOWLEDGEMENT 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

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By [Signature] Per Wm. J. Lemaire
Date 7-22-91

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



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

GARREY CARRUTHERS
GOVERNOR

August 2, 1990

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

Mr. Frank O. Cox
2323 Bryan Street LB 159
Dallas, Texas 75201

Re: Single Well Cash Bond
Form

Dear Mr. Cox:

On July 11th I wrote you regarding the need to file a single well cash bond form to go along with the Assignment of Cash Collateral Deposit form which I received in the mail on July 3rd from the United New Mexico bank. In order to approve your bond and release the bond for Esperanza Energy Corp. it is necessary to file this bond form. I am enclosing another copy of this form for your convenience.

The district office cannot approve the C-104, Change of Operator, until such time as an approved bond is in this office.

Thank you for your immediate attention to this matter.

Sincerely,

DIANE RICHARDSON
Administrator
Bond Department

*no C-104
in office
Jpe.*

cc: Dan Wolf
Continental Guaranty & Credit
Corporation

*Bond in order
8-15-90
checked Aileen -
no C-104 -
they will advise*



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

GARREY CARRUTHERS
GOVERNOR

August 2, 1990

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The district office cannot approve the C-104, Change of Operator, until such time as an approved bond is in this office.

Thank you for your immediate attention to this matter.

Sincerely,

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

DIANE RICHARDSON
Administrator
Bond Department

cc: Dan Wolf
Continental Guaranty & Credit
Corporation

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

GARREY CARRUTHERS
GOVERNOR

July 11, 1990

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

Mr. Frank O. Cox
2323 Bryan Street LB 159
Dallas, Texas 75201

Re: Assignment of Cash Collateral
Deposit form

Dear Mr. Cox:

I am in receipt of the Assignment of Cash Collateral. This is a reminder that before I can approve this, a single well cash bond form must be completed and submitted to this office. I am enclosing a copy of this form for your convenience.

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

Sincerely,



DIANE RICHARDSON
Administrator
Bond Department

Garrett Carruthers
Well
Bond



OIL CONSERVATION DIVISION
RECEIVED

'90 JUL 3 AM 8 57

United New Mexico Bank at Artesia
Post Office Drawer 10
Artesia, New Mexico 88211-0010
Telephone 505 748-3381

David Johnson
Vice President

June 29, 1990

Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87504
ATTN: Dianne Richardson

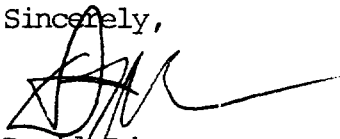
*Check
Epperson 3rd
Bond folder*

Dear Dianne:

Enclosed please find the original assignment of cash collateral deposit on Mr. Frank Cox. I apologize for the delay in getting this to you.

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

Sincerely,



David Johnson
Vice President

DJ/dks

CC: Larry Beason
416 N. Pacific
Minneola, Texas 75773

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

(Must be a federally-insured bank or savings institution
within the State of New Mexico)

Date January 2, 1990

Pursuant to Section 70-2-14, NMSA (1978), or successor provisions, Frank O. Cox (hereinafter referred to as "operator") of 2323 Bryan St. LB 159, Dallas, TX 75201 (address) has deposited with the United New Mexico Bank/Artesia (name of state or national bank or savings association) of P O Drawer 10, Artesia, NM 88210 (address) (herein termed financial institution), the sum of \$7,500.00 dollars in Certificate of Deposit or savings account No. 5000050936. 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:

- a. 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.
- 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 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.

Frank O. Cox
Signature of Operator, Frank O. Cox
Personally or by Authorized Officer

[Signature]
Signature of Authorized Officer of
Financial Institution

Owner
Title

Vice President
Title

STATE OF NEW MEXICO
COUNTY OF Eddy) ss.

On this 2nd day of January, 19 90, before me personally appeared Frank O. Cox 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:
12-22-92

[Signature]
NOTARY PUBLIC

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

STRICT I
Box 1980, Hobbs, NM 88240
STRICT II
Drawer DD, Artesia, NM 88210
STRICT III
100 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

Operator Frank O. Cox	Well API No.
Address	
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/> Change in Transporter of: Completion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Change in Operator <input checked="" type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>	
Change of operator give name and address of previous operator Esperanza Energy Corporation, Suite 210, 17400 Dallas Parkway, Dallas, TX 75287	

DESCRIPTION OF WELL AND LEASE

Well Name Mc Clain Ranch	Well No. 1	Pool Name, including Formation Wildcat - Glorietta	Kind of Lease State, Federal or <input checked="" type="radio"/>	Lease No.
Location Unit Letter M : 330 Feet From The South Line and 330 Feet From The West Line Section 15 Township 2 South Range 28 East , NMPM, De Baca County				

DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil None	or Condensate None	Address (Give address to which approved copy of this form is to be sent) -----
Name of Authorized Transporter of Casinghead Gas None	or Dry Gas None	Address (Give address to which approved copy of this form is to be sent) -----
Well produces oil or liquids, location of tanks N/A	Unit Sec. Twp. Rge.	Is gas actually connected? No
If production is commingled with that from any other lease or pool, give commingling order number:		None

COMPLETION DATA

Temporarily Abandoned Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Spudded 11/20/88	Date Compl. Ready to Prod. Temp. Abandon 12/28/88	Total Depth 3000'	P.B.T.D. 2800'					
Productions (DF, RKB, RT, GR, etc.) 4198'	Name of Producing Formation -----	Top Oil/Gas Pay -----	Tubing Depth 2632'					
			Depth Casing Shoe					

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
11 "	8 5/8 "	320'	250
7 7/8 "	4 1/2 "	3000'	157

TEST DATA AND REQUEST FOR ALLOWABLE

WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

First New Oil Run To Tank None	Date of Test 12/4/88	Producing Method (Flow, pump, gas lift, etc.) N/A	
Length of Test 5 Hrs.	Tubing Pressure 0	Casing Pressure ---	Choke Size ----
Total Prod. During Test 0	Oil - Bbls. ---	Water - Bbls. 120	Gas- MCF ----

S WELL

Total Prod. Test - MCF/D None	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Frank O. Cox	Title
Telephone No.	

OIL CONSERVATION DIVISION

Date Approved _____

By _____

Title _____

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- All sections of this form must be filled out for allowable on new and recompleted wells.
- Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- Separate Form C-104 must be filed for each pool in multiply completed wells.

Frank Cox

Well DeBoca Co.

Aug 2, 1990 -

Tom Langford

214 931-7331

Oct. 18th sent C-104

As soon as C-104
filed, OK to
release Espinoza
Bond 20804834

To _____	
Date _____	Time _____ <input type="checkbox"/> AM <input type="checkbox"/> PM
WHILE YOU WERE OUT	
M. _____	
of _____	
Phone (_____) _____	214 931 7331
Area Code	Number Extension
TELEPHONED	PLEASE CALL
CALLED TO SEE YOU	WILL CALL AGAIN
WANTS TO SEE YOU	URGENT
RETURNED YOUR CALL	
Message _____	
1 Tom Langford	
Espinoza	
C-104	
Frank Cox	
Operator	

AMPAD
EFFICIENCY®

REORDER
#23-000

Bond form
received Aug 15, 1991
Copy of C-104 signed
by Frank O Cox
enclosed