

STATE OF NEW MEXICO  
\$50,000.00 BLANKET PLUGGING BOND

BOND NO. 610 086729 6  
(For Use of Surety Company)

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

KNOW ALL MEN BY THESE PRESENTS:

That Rault Petroleum Corporation, (An individual) (a partnership) (a corporation organized in the State of Louisiana, with its principal office in the city of New Orleans, State of Louisiana, and authorized to do business in the State of New Mexico), as PRINCIPAL, and United States Fire Insurance Company, a corporation organized and existing under the laws of the State of New York, 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 Fifty Thousand Dollars (\$50,000.00) 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 wells 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 wells started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO<sub>2</sub>) gas 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 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;

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.

BEFORE EXAMINER	
OIL CONSERVATION DIVISION	
<u>OCD</u>	EXHIBIT NO. <u>2</u>
CASE NO.	<u>12280</u>

PETROLEUM CORPORATION

RAULT DRILLING COMPANY, its division  
808 W. Missouri St

Address MIDLAND, TX

By

*Joseph Rault, Jr.*  
Signature

President

Title

UNITED STATES FIRE INSURANCE COMPANY

SURETY

FEB 09 1982

BOX 2639, Dallas, Texas 75221

Address

By

*Debbie Cunningham*  
Signature

Attorney-in-Fact

Debbie Cunningham

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

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF TEXAS )  
COUNTY OF MIDLAND ) ss.

On this 20th day of JANUARY, 1982, before me personally appeared Joseph Rault, Jr., 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.

*Kris Kountz*  
Kris Kountz  
My Commission expires 10/27/85

Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF TEXAS )  
COUNTY OF MIDLAND ) ss.

On this 4th day of FEBRUARY, 1982, before me personally appeared JOSEPH M. RAULT, JR., to me personally known who, being by me duly sworn, did say that he is PRESIDENT of RAULT PETROLEUM CORPORATION 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.

10/27/85  
My Commission expires

*Kris Kountz*  
Kris Kountz  
Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF Texas )  
COUNTY OF Dallas ) ss.

On this 5th day of January, 1982, before me appeared Debbie Cunningham, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of United States Fire Insurance Company 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.

February 18, 1985

My Commission expires

(Note: Corporate surety attach power of attorney.)

*Debbie Cunningham*  
Notary Public

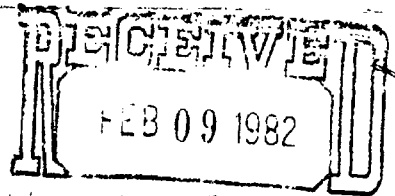
APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By

Date

POWER OF ATTORNEY  
UNITED STATES FIRE INSURANCE COMPANY  
PRINCIPAL OFFICE, NEW YORK, N.Y.



KNOW ALL MEN BY THESE PRESENTS: That UNITED STATES FIRE INSURANCE COMPANY ("Company"), a corporation duly organized and existing under the laws of the State of New York, and having its administrative offices in the Township of Morris, State of New Jersey, has made, constituted and appointed, and does by these presents make, constitute and appoint Debbie Cunningham of Dallas, Texas

its true and lawful Agent(s) and Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver: Any and all bonds and undertakings SUBJECT TO THE EXCLUSIONS LISTED BELOW:

1. Bid, Proposal and Final Bonds and Undertakings guaranteeing contracts for the construction or erection of public or private buildings, improvements, and other works and guaranteeing public and private contracts for supplies.
2. Bonds on behalf of Independent Executors, Community Survivors, Community Guardians

and to bind the Company thereby as fully and to the same extent as if such bonds had been duly executed and acknowledged by the regularly elected officers of the Company at its principal or administrative offices in their own proper persons.

This Power of Attorney limits the act 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 therein stated.

This Power of Attorney revokes all previous powers issued in behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 16th day of April, 1981.



Attest:

UNITED STATES FIRE INSURANCE COMPANY

*Richard A. Annese*  
Assistant Secretary  
Richard A. Annese

*Harry F. Bott*  
Vice President  
Harry F. Bott

STATE OF NEW JERSEY )  
COUNTY OF MORRIS ) ss.:

On this 16th day of April, 1981, before the subscriber, a duly qualified Notary Public of the State of New Jersey, came the above-mentioned Vice President and Assistant Secretary of United States Fire Insurance Company, to me personally known to be the officers described in, and who executed the preceding instrument, and they acknowledged the execution of the same, and being by me duly sworn, deposed and said that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and their signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal at the Township of Morris, the day and year first above written.

HERBERT H. LINDER  
NOTARY PUBLIC OF NEW JERSEY

Power of Attorney is granted pursuant to Article IV of the By-Laws of UNITED STATES FIRE INSURANCE COMPANY as now in full force and effect and which provides as follows:

**ARTICLE IV., Execution of Instruments:** "The Chairman of the Board, Vice-Chairman of the Board, President, or any Vice-President, in conjunction with the Secretary, or any Secretary, if more than one shall be appointed by the Board, or an Assistant Secretary, shall have power on behalf of the Corporation:

(a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;

(b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation."

This Power of Attorney is signed and sealed under and by the authority of Article III, Section 9 of the By-Laws of the UNITED STATES FIRE INSURANCE COMPANY as now in full force and effect and which provides as follows:

**ARTICLE III., Section 9. Facsimile Signatures:** "The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed facsimile, lithographed, or otherwise produced. . . . The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued."

#### CERTIFICATE

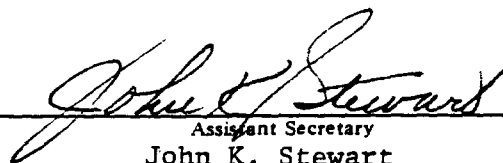
State of New Jersey  
County of Morris

I, the undersigned, Assistant Secretary of UNITED STATES FIRE INSURANCE COMPANY, DO HEREBY CERTIFY that the foregoing POWER OF ATTORNEY remains in full force and effect and has not been revoked and furthermore that the above quoted abstracts of Article IV and Article III., Section 9. of the By Laws of the Company are now in full force and effect.

In Testimony Whereof, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

this 5th day of January 19 82.

By

  
Assistant Secretary  
John K. Stewart