Form 0 & G B-1 Adopted 6-17-77 Paying 11-01-99

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Revised 11-01-89 BEROOM TVANTOR STATE OF NEW MEXICO ONE-WELL PLUGGING BOND 1B OCD CASE NO. 12 438 FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT, SANDOVAL, AND SAN JUAN COUNTIES ONLY BOND NO. BO5543 AMOUNT OF BOND \$5,000.00 COUNTY Eddy NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00* For wells 5,000 to 10,000 feet deep, the minimum bond is \$7,500.00 $\!\!\!\!\!\!\!^\star$ 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 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 5,500 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet. (See Rule 101). File with Oil Conservation Division, P. O. Box 2088, Santa Fe 87501 KNOW ALL MEN BY THESE PRESENTS: Salado Operating, LLC , (maxinauviauxuixxixxpatinevenip) (a corporation organized in the State of <u>New Mexico</u>, with its principal office in the city , State of New Mexico _____, and authorized to do business in the State of New Mexico), as PRINCIPAL, and ____ Underwriters Indemnity Company corporation organized and existing under the the State of laws Texas ____, 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 011 Conservation Division of New Mexico pursuant to Section 70-2-12, New Mexico Statutes Annotated, 1978 Compilation, as amended, in the sum of FIVE----- 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 lease, or carbon dioxide (CO,) gas leases, or helium gas leases, or brine mineral 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,) gas leases, or helium gas leases, or brine mineral 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 (CO,) 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, or brine minerals, and on land patented by the United States of America to private individuals, and on land otherwise owned by private identification and location of said well being b individuals, the 2970 FSL 1650 FEL being

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 Division of New Mexico in such way as to confine the oil, gas, brine, and water in the strata in which they are found, and to prevent them from escaping into other strata;

County, New Mexico.

(Here state exact legal footage description)
Range 30 (East)(West), N.M.P.M., Eddy

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.

1-9-21-95

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Underwriters Indemnity Company and that sealed on behalf of said corporation by authority of its 'Inativates to be the free act and deed of said corporation.	DORTG OF GITE: COTS, and acknowledged said in MINE: S WHEREOF, I have hereantd,
ber , 1995, before me appeared Roy C. Die known, who, being by me duly sworn, did say that he is	to me personally
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	Ay Commission Expires
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Deruly Public	first above written.
Salado Operating LLC and that the fore-on behalf of said corporation by authority of its board of nt to be the free act and deed of said corporation. set my hand and seal on the day and year in this certificate	IN WITNESS WHEREOF, I have hereunto attento in the series of the series
to me personally known who, being by me duly sworn, did say Salado Operating LLC and that the fore-	Allen Hodge
ober 19 95, before me personally appeared	on the littles of
ENI FORM FOR CORPORATION	COUNTY OF Least State OF CKNOWLEDGEN
•	My Commission Expires
Notary Public.	
19 before me personally appeared the known to be the person (persons) described in and who knowledged that he (they) executed the same as his (their) set my hand and seal on the day and year in this certificate	executed the foregoing instrument and actree act and deed.
T FORM FOR NATURAL PERSONS	VCKNONTEDCENENT
(Note: Corporate surety affix corporate seal here.)	(Note: Principal, if corporation, affix corporate seal here.)
	- 1: iT
Roy C. Die, Actorney-In-Fact	Stinscure Stinscure President
BY: Year	By Address By
sons Suretr 8 Greenway Plaza, #400 Houston, TX 77046	P.O. Box 1925 P.O. Box 1925 Hobbs, MM 38241
Underwriters Indemnity Company	Salado Operating, LLC

Atrank & President

Welliam NOTARY PUBLIC, Harris County, Texas

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That UNDERWRITERS INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston. Texas, does hereby constitute and appoint:

ROY C. DIE

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY 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.

This Power of Attorney is executed, and may be cerified to and may be revoked, pursuant to and by authority of Article V, Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

"The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority

- (1) 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
- (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and
- (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 23rd day of January, 1985, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF. UNDERWRITERS INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer. E.H. Frank, III. on this the third day of September, 1991.

STATE OF TEXAS COUNTY OF HARRIS

On this the 2nd day of June, 1995, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of UNDERWRITERS INDEMNITY COMPANY: that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.

CERTIFICATION

I, the undersigned officer of UNDERWRITERS INDEMNITY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 12th day of October . 19 95

| June 2 July Assistant Secretary Greg E. Chilson

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

Form 0 & G B-1 Adopted 6-17-77 Revised 11-01-89

STATE OF NEW MEXICO

OCD

ONE-WELL PLUGGING BOND

1 2 4 3 8 FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT, SANDOVAL, AND SAN JUAN COUNTIES ONLY

> BOND NO. B05544 AMOUNT OF BOND \$5,000.00 COUNTY Eddy

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00* For wells 5,000 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 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 5,500 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet. (See Rule 101)

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

KNOW ALL MEN BY THESE PRESENTS:

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_	Texas	<u> </u>				_, and auth	orized t	o do b	usiness	in the	State o	f New
Me	xico, as SURI	ETY, are	held fire	aly bound	unto the	State of Ne	w Mexico	, for th	e use a	nd benef	it of th	e 011
Co	nservation D	ivision	of New !	texico pur	suant to	Section 70)-2-12, N	lew Mexi	co Stat	utes An	notated,	1978
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St	ates, for the	he payme	ent of wh	ich, well	and tru	ily to be m	ade, sai	d PRINC	IPAL an	d SURETY	hereby	bind
th	emselves, the	eir succ	essors and	i assigns,	jointly	and several	ly, firml	y by the	ese pres	ents.		
	The condi	tions of	this obli	igation are	such th	nat:						

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas lease, or carbon dioxide (CO,) gas leases, or helium gas leases, or brine mineral 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,) gas leases, or helium gas leases, or brine mineral 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 $5,000^{\circ}$ feet, to prospect for and produce oil or gas, or carbon dioxide (CO,) 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, or brine minerals, and on land patented by the United States of America to private individuals, and on land otherwise owned by private location of said well being being Section 2, Township 16 (NSFEM)(South) identification and individuals, the 3654.5 FNL & 330 FEL , Section __ (Here state exact legal footage description) Eddy

___ (East)(West), N.M.P.M., __ County, New Mexico.

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 Division of New Mexico in such way as to confine the oil, gas, brine, 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.

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	SAXY SOUTH	My Commission Expires
authority of its said corporation. this certificate	sealed on behinding said corporation by a instrument to be the tree act and deed of a set my gard sear in set my gard and year in	the foregoing instrument was algned and board of directors, and acknowledged said IN WITNESS WHEREOF, I have hereunto a first above written.
say that he is and that	ber , 1995, before me appeared known, who, being by me duly sworn, did Underwriters Indemnity Company	Attoriey-in-fact of
	,	STATE OF TEXAS)ss.
	4 FOR CORPORATE SURETY	
		My Commission Expires
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	BY:	By
	S Greenway Plaza, #400 Houston, TX 77046	P.O. Box 1925 P.O. Box 1925
	Underwricers indemnicy Company	Salado Operating, LLC

Atrank & President

Mary Welliam NOTARY PUBLIC, Harris County, Texas

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That UNDERWRITERS INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston. Texas, does hereby constitute and appoint:

ROY C. DIE

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY 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.

This Power of Attorney is executed, and may be cerified to and may be revoked, pursuant to and by authority of Article V. Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

"The President or any Vice President. Assistant Vice President. Secretary or Resident Secretary shall have power and authority

- (1) 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
- (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and
- (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 23rd day of January. 1985, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, UNDERWRITERS INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer. E.H. Frank, III, on this the third day of September, 1991.

STATE OF TEXAS COUNTY OF HARRIS

On this the 2nd day of June, 1995, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**: that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.

CERTIFICATION

I, the undersigned officer of UNDERWRITERS INDEMNITY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this.	12th day of _	October	
	A STATE OF THE STA	Hay E Unbon Greg E. Chilson	Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

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Form 0 & G B-1 Adopted 6-17-77 Revised 11-01-89

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Fi	lle with Oil	l Conservation Div	vision, P. O. Box 2088, Santa Fe 87501
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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.

regulations, and orders of the Oil Conservation Division of New Mexico in such way as to confine the oil, gas, brine, and water in the strata in which they are found, and to prevent them from escaping into other

strata;

	YPPROVED BY:
	July 22, 1997 My Commission Expires (Note: Corpo:ate surety attach power uninning) (Note: Corpo:ate surety attach power uninning)
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LIZ KOBETY Fublic	Nigura 2001 28 AIM
behalf of said corporation by authority of it	the foregoing instrument was aigned minimum, d on b board of directors, and acknowledged said Minimum, dans in minimum, and acknowledged said Minimum, dans in the street shows written.
being by me duly sworn, did say that he inters Indemnity Company and the	to me bersonally known, who,
	STATE OF TEXAS) ss.
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Welliam NOTARY PUBLIC, Harris County, Texas

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That UNDERWRITERS INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

ROY C. DIE

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said UNDERWRITERS INDEMNITY
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.

This Power of Attorney is executed, and may be cerified to and may be revoked, pursuant to and by authority of Article V, Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

"The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority

- (1) 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
- (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and
- (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 23rd day of January, 1985, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, UNDERWRITERS INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the third day of September, 1991.

President

STATE OF TEXAS COUNTY OF HARRIS

On this the 2nd day of June, 1995, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of UNDERWRITERS INDEMNITY COMPANY: that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.

CERTIFICATION

I, the undersigned officer of UNDERWRITERS INDEMNITY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 12th day of October . 19 95

| Greg E. Chilson | Assistant Secretary |

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

UN1020 (6/95)

30015 03824

Form 0 & G B-1 Adopted 6-17-77 Revised 11-01-89

CCD

STATE OF NEW MEXICO
ONE-WELL PLUGGING BOND

12438

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

BOND NO	. <u>BO</u>	5546
AMOUNT	OF BOND	\$5,000.00
COUNTY	Eddv	

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00*
For wells 5,000 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 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 5,500 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet. (See Rule 101)

File with 0il Conservation Division, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

Salado Operating, LLC

Hist balled operating, and his way and value of the partners and his control of the partners a
(a corporation organized in the State of <u>New Mexico</u> , with its principal office in the city
of, State ofNew Mexico, and authorized to do business
in the State of New Mexico), as PRINCIPAL, and Underwriters Indemnity Company,
a corporation organized and existing under the laws of the State of
Texas , 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 011
Conservation Division of New Mexico pursuant to Section 70-2-12, New Mexico Statutes Annotated, 1978
Compilation, as amended, in the sum of FIVE
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 lease, or carbon dioxide (CO ₂) gas leases, or helium gas leases, or brine mineral 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 $(\infty,)$ gas leases, or helium gas leases, or brine mineral 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 (CO) 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 ₂) leases, or helium gas leases, or brine minerals, 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 being
3654.5 FNL & 1650 FEL , Section 2 , Township 16 (North) (South)
(Here state exact legal footage description)
Range 30 (East) (Masto), N.M.P.M., Eddy County, New Mexico.

NOW, THEREFORE, If the above bounder 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 Division of New Mexico in such way as to confine the oil, gas, brine, 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.

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IL CONSERVATION DIVISION OF NEW MEXICO	20
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PPROVED BY:	ty
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	7991 , 22 Ylul
Sign And Agreement	
sealed opposite of the corporation by authority of its instrument to be the first and deed of said corporation. In the corporation.	board of directors, and acknowledged said IN WIINISS WHEREOF, I have hereunto a first above written.
Underwriters Indemnity Company and that	the forests transment was stanced and
cnown, who, being by me duly sworn, did say that he is	to me personally h
Der , 1995, before me appeared Roy C. Die	on this lith day of Octob
	COUNTY OF TEXAS)ss.
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	My Commission Expires
	January'30, 1999
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Beenell Burn	first above written.
et my hand and seal on the day and year in this certificate	
t to be the free act and deed of said corporation.	
so belast of seald corporation by authority of its board of	
o me personally known who, being by me duly sworn, did say	
ber 19 95, before me personally appeared	On tits 12th day of Octo
	COUNTY OF I ea
	STATE OF 1 ew Mexico)88.
NI FORM FOR CORPORATION	ACKNOWLEDCEME
	My Commission Expires
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et my hand and seal on the day and year in this certificate	IN WIINESS WHEREOF, I have hereunto so
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nowledged that he (they) executed the same as his (their)	
, 19 before me personally appeared	on this day of
	COUNTY OF SEA.
FORM FOR NATURAL PERSONS	(10 20.20
here.)	corporate seal here.)
(Note: Corporate surety affix corporate seal	(Note: Principal, if corporation, affix
	Presider t Title
Roy &. Die Attorney-In-Fact	erusangt2
BY:	- Telmy VIII AB
yqqtess	SSPATON
970// XI 'uoleuoH	Ty288 MN 'sddoH
8 Greenway Plaza, #400	P.O. Box 1925
SURETY	PRINCIPAL

Salado Operating, LLC

Underwriters Indemnity Company

Date: _

Welliam NOTARY PUBLIC. Harris County, Texas

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

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ROY C. DIE

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

This Power of Attorney is executed, and may be cerified to and may be revoked, pursuant to and by authority of Article V. Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

"The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority

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- (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and
- (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

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"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, UNDERWRITERS INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the third day of September, 1991.

President

STATE OF TEXAS COUNTY OF HARRIS

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IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.

CERTIFICATION

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| July Ellison | Assistant Secretary | Greg E. Chilson

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