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BONDS

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT







BRUCE KING GOVERNOR

OIL CONSERVATION DIVISION

November 26, 1991

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

Burro Pipeline Corp. 633 17th Street **Suite 1550** Denver, Co. 80202

Re: \$25,000 Bond for Commercial

Surface Waste Disposal Facility,

Burro Pipeline Corporation, Principal Sections 6 and 7, T-10-S, R-33-E,

Lea County

Gentlemen:

The Oil Conservation Division hereby approves the above-referenced bond effective November 25, 1991.

Sincerely,

WILLIAM J. LEMA

Director

dr/

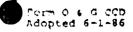
cc: Oil Conservation Division Hobbs, New Mexico

Underwriters Indemnity Co.

8 Greenway Plaza

Suite 400

Houston, Texas 77046



ASSIGNMENT OF CASH COLLATERAL DEPOSIT

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

Date November 25, 1991

Pursuant Redwolf P.O. Box	to Section 70-2-14, NMSA (1978), or successor provisions, Production Inc. (hereinafter referred to as "operator") of 382 Farmington N.M. 87499 (address) has deposited with the
for the G	Tocluction Tuc. (hereinafter referred to as 'operator') of 382 Formington N.M. 8749 (address) has deposited with the America (name of stata or national bank or savings association) of 120% Formington N.M. 87401 (address) (herein termed institution), the sum of 7500.22 dollars in Certificate of resident and interest in the deposited sum to the financial institution in trust oil Conservation Division of the Energy and Minerals Department or successor the State of New Mexico. Operator and the financial institution agree that as posited 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.
any attor	rator agrees that the financial institution may deduct from interest due operator tree incurred by the financial institution if claim or demand via writ, or other process arising from operator's business is made upon the financial on.
Signature	Ochvental of Operator, y or by Authorized Officer Officer Signature of Authorized Officer of Financial Institution
Presid	Manager of Branch Operations Title
	New Mexico
Bruce the pers	this 25th day of November, 1991, before me personally appeared E. Deluenthal and Connie in Matthews, to me known to be on (persons) described in and who executed the foregoing instrument and light that they executed the same as their free act and deed.
	VITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this ate first above written.
	The Mether

My Commission expires:

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