

NM1 - 19

BONDS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

February 10, 2003

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 7099-3220-0000-5051-2177

Mr. Mike Marley
Gandy Marley, Inc.
P.O. Box 1658
Roswell, NM 88202

**RE: \$82,917 Cash Bond for Commercial Surface Waste Management Facility
Permit NM-01-0020
Gandy Marley, Inc., Principal
Wells Fargo Bank, Financial Institution
Sections 4, 5, 8, and 9, Township 11 South, Range 31 East, NMPM,
Chaves County, New Mexico
CD. 0621910751**

Dear Mr. Marley:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility Cash Bond.

Sincerely,

David K. Brooks,
Assistant General Counsel

DKB: mjk

Enclosure: Copy of Cash Bond CD. 0621910751

xc with attachment:

Hobbs OCD Office
Kenny Hinyard, Wells Fargo Bank, P.O. Box 1977, Roswell, NM 88202

**Energy, Minerals and Natural Resources Department
Oil Conservation Division**

Cash Bond For Waste Management Facilities

(File with Oil Conservation Division, 1220 South Saint Francis, Santa Fe, New Mexico 87505)

KNOW ALL MEN BY THESE PRESENTS:

That Gandy Marley, Inc. (an individual, partnership, or a corporation organized in the State of New Mexico, with its principal office in the City of Roswell, State of New Mexico and authorized to do business in the State of New Mexico), as PRINCIPAL is firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (DIVISION) in the sum of eighty two thousand nine hundred, (\$ 82,917 .00) Dollars.
seventeen

The conditions of this obligation are such that:

The PRINCIPAL has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, BS&W, tank bottoms, waste oil or other oil field related waste in Sections 4,5,8,9, Township 11S, Range 31E, NMPM, Chaves County, New Mexico.

NOW, THEREFORE, this \$ 82,917.00 bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules and orders of the DIVISION and the Oil Conservation Commission, and upon clean-up of the facility site to standards of the DIVISION; otherwise the bond is to be forfeited to the Division.

The PRINCIPAL has deposited funds on behalf of the DIVISION in the amount of \$ 82,917 .00 (eighty two thousand nine hundred seventeen dollars) in the manner indicated on page 2 of this instrument, **Assignment of Cash Collateral Deposit**, to secure this bond. The PRINCIPAL pledges the funds as a guarantee that it, its executors, assigns, heirs and administrators will abide by the Statutes of the State of New Mexico and the rules and orders of the DIVISION in operating the waste management facility described herein, and that it will properly reclaim the facility site upon cessation of operations. If the PRINCIPAL does not properly reclaim and restore the facility site, and otherwise abide by the rules and orders of the DIVISION, this bond shall be forfeited in full and such funds as necessary applied to the cost of reclaiming the facility site. If the amount of the bond is less than the actual cost incurred by the DIVISION in reclaiming the facility site, the DIVISION may institute legal action against the PRINCIPAL to recover any amounts expended over and above the amount of the bond.

NOW THEREFORE, if the above PRINCIPAL or its successors, assigns, heirs, administrators or any of them shall properly reclaim and restore the above-described facility site upon cessation of operations and otherwise abide by the rules and orders of the Division, then therefore, this obligation shall be null and void and the principal sum hereof shall be paid to the PRINCIPAL, or its successors, heirs, or administrator; otherwise it shall remain in full force and effect.

Assignment of Cash Collateral Deposit For Bond for Waste Management Facility

Pursuant to Rule 711 of the Rules of the Oil Conservation Division, or successor provisions, _____
Gandy Marley, Inc., (hereinafter "Principal"), of _____
PO Box 1658, Roswell, NM 88202 (address) has deposited with the Wells Fargo Bank
_____ (name of the financial institution, which must be a federally insured bank
or savings institution within the state of New Mexico) of PO Box 1977, Roswell, NM 88202
_____ (address) (hereinafter "Financial Institution"), the sum of eighty two thousand nine hundred seventeen
(\$ 82,917 .00) dollars in Certificate of Deposit or savings account No. 0021910751. The
Principal hereby assigns and conveys all right, title and interest in the deposited funds to the Financial Institution
in trust for the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (hereinafter
"Division") or successor agency of the State of New Mexico. The Principal and the Financial Institution agree that
as to the deposited funds:

- a. The funds deposited pursuant to the terms of this Assignment are to serve as a cash bond covering a waste management facility operated by the Principal.
- b. The Division acquires by this Assignment the entire beneficial interest in the funds with the right to order the Financial Institution, 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 Principal upon sale of the facility covered by this Assignment provided all applicable Division orders and rules have been complied with regarding the waste management facility.
- c. The Principal 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 in the event the Principal properly reclaims the facility site and otherwise abides by the rules and order of the Division and the Oil Conservation Commission.
- d. The Financial Institution agrees that the funds 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 funds.

The Principal agrees that the Financial Institution may deduct from interest due the Principal any attorney fees incurred by the Financial Institution if claim or demand via writ, summons or other process arising from Principal's business is made upon the Financial Institution.

Signed this 4TH day of February, 2003.

Michael L. Marley
Signature of PRINCIPAL, personally or by
authorized officer

Secretary/Treasurer
Title

(Note: If PRINCIPAL is corporation, affix corporate seal here.)

[Signature]
Signature of authorized officer of Financial
Institution

S.V.P. & Business Banker
Title

PO Box 1658
Roswell, NM 88202
Mailing Address

PO Box 1977
Roswell, NM 88202
Mailing Address

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2____,
by _____

My commission expires:

Date

Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATION OR PARTNERSHIP

STATE OF New Mexico)
)SS.
COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 4 day of February, 2003,
by Michael W. Marley

officer of partner(s) of Gandy Marley Inc
a corporation, a partnership on behalf of said corporation or partnership.

My commission expires:

December 4, 2005
Date

Christina Duran
Notary Public

NOTE: When Principal is a partnership, corporation or association, list all partners, officers and directors as may be applicable. This information may be provided below.

ACKNOWLEDGMENT FORM FOR FINANCIAL INSTITUTION

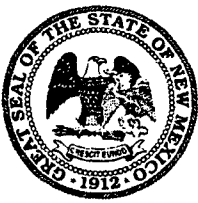
STATE OF New Mexico)
)SS.
COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 4 day of February, 2003,
by Kenny Hinyard title SVP Business Banker on behalf of
Wells Fargo Bank, N/A, N/A, financial institution.

My commission expires:

December 4, 2005
Date

Christina Duran
Notary Public



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

January 2, 2002

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 7099-3220-0000-5051-2726

Mr. Mike Marley
Gandy Marley, Inc.
P.O. Box 1658
Roswell, NM 88202

**RE: \$62,187 Cash Bond for Commercial Surface Waste Management Facility
Permit NM-01-0020
Gandy Marley, Inc., Principal
Wells Fargo Bank, Financial Institution
Sections 4, 5, 8, and 9, Township 11 South, Range 31 East, NMPM,
Chaves County, New Mexico
CD. 0621874692 and 0621910652**

Dear Mr. Marley:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility Cash Bond.

Sincerely,

A handwritten signature in cursive script, reading "David K. Brooks".

David K. Brooks,
Assistant General Counsel

DKB: mjk

Enclosure: Copy of Cash Bond CD. 0621874692 and 0621910652

xc with attachment:

Hobbs OCD Office

Rick Moore, Wells Fargo Bank New Mexico, P.O. Box 1977, Roswell, NM 88202



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

March 26, 2001

Lori Wrotenberg
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 7099-3220-0000-5051-2092

Mr. Mike Marley
Gandy Marley, Inc.
P.O. Box 1658
Roswell, NM 88202

RE: \$41,458 Cash Bond for Commercial Surface Waste Management Facility
Permit NM-01-0020
Gandy Marley, Inc., Principal
Wells Fargo Bank, Financial Institution
Sections 4, 5, 8, and 9, Township 11 South, Range 31 East, NMPM,
Chaves County, New Mexico
CD. 0621874692

Dear Mr. Marley:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility Cash Bond.

Sincerely,

Stephen C. Ross,
Assistant General Counsel, EMNRD

SCR:mjk

Enclosure: Copy of Cash Bond CD. 0621874692

xc with attachment:

Hobbs OCD Office
Nancy Baxly, Wells Fargo Bank New Mexico, P.O. Box 1977, Roswell, NM 88202

**Energy, Minerals and Natural Resources Department
Oil Conservation Division**

Cash Bond For Waste Management Facilities

(File with Oil Conservation Division, 1220 South Saint Francis, Santa Fe, New Mexico 87505)

KNOW ALL MEN BY THESE PRESENTS:

That Gandy Marley, Inc. (~~an individual partnership~~
~~or a~~ corporation organized in the State of New Mexico, with its principal office in the City
of Roswell, State of New Mexico and authorized to do business in
the State of New Mexico), as PRINCIPAL is firmly bound unto the State of New Mexico, for the use and
benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department
(DIVISION) in the sum of forty one thousand, 458.00 (\$ 41,458.00) Dollars.

The conditions of this obligation are such that:

The PRINCIPAL has heretofore or may hereafter enter into the collection, disposal, evaporation,
remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion
fluids, contaminated soils, BS&W, tank bottoms, waste oil or other oil field related waste in Section 4, 5, 8&9.
Township 11S, Range 31E, NMPM, Chaves County, New Mexico.

NOW, THEREFORE, this \$ 41,458.00 bond is conditioned upon substantial compliance
with all applicable statutes of the State of New Mexico and all rules and orders of the DIVISION and the Oil
Conservation Commission, and upon clean-up of the facility site to standards of the DIVISION; otherwise
the bond is to be forfeited to the Division.

The PRINCIPAL has deposited funds on behalf of the DIVISION in the amount of \$ 41,458.00
(~~Forty one thousand four hundred~~ fifty-eight dollars) in the manner indicated on page 2 of this instrument,
Assignment of Cash Collateral Deposit, to secure this bond. The PRINCIPAL pledges the funds as a
guarantee that it, its executors, assigns, heirs and administrators will abide by the Statutes of the State of New
Mexico and the rules and orders of the DIVISION in operating the waste management facility described
herein, and that it will properly reclaim the facility site upon cessation of operations. If the PRINCIPAL does
not properly reclaim and restore the facility site, and otherwise abide by the rules and orders of the
DIVISION, this bond shall be forfeited in full and such funds as necessary applied to the cost of reclaiming
the facility site. If the amount of the bond is less than the actual cost incurred by the DIVISION in reclaiming
the facility site, the DIVISION may institute legal action against the PRINCIPAL to recover any amounts
expended over and above the amount of the bond.

NOW THEREFORE, if the above PRINCIPAL or its successors, assigns, heirs, administrators or
any of them shall properly reclaim and restore the above-described facility site upon cessation of operations
and otherwise abide by the rules and orders of the Division, then therefore, this obligation shall be null and
void and the principal sum hereof shall be paid to the PRINCIPAL, or its successors, heirs, or administrator;
otherwise it shall remain in full force and effect.

Assignment of Cash Collateral Deposit For Bond for Waste Management Facility

Pursuant to Rule 711 of the Rules of the Oil Conservation Division, or successor provisions, _____, (hereinafter "Principal"), of _____

Po Box 1658, Roswell, NM 88202 (address) has deposited with the _____
Wells Fargo Bank New Mexico (name of the financial institution, which must be a federally insured bank
 or savings institution within the state of New Mexico) of 400 N. Penn., Roswell NM 88201

(address) (hereinafter "Financial Institution"), the sum of forty one thousand four hundred ^{fift}
(\$ 41,458 .00) dollars in Certificate of Deposit or savings account No. 0621874692 ^{eigh}. The Principal
 hereby assigns and conveys all right, title and interest in the deposited funds to the Financial Institution in trust for
 the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (hereinafter "Division")
 or successor agency of the State of New Mexico. The Principal and the Financial Institution agree that as to the
 deposited funds:

- a. The funds deposited pursuant to the terms of this Assignment are to serve as a cash bond covering a waste management facility operated by the Principal.
- b. The Division acquires by this Assignment the entire beneficial interest in the funds with the right to order the Financial Institution, 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 Principal upon sale of the facility covered by this Assignment provided all applicable Division orders and rules have been complied with regarding the waste management facility.
- c. The Principal 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 in the event the Principal properly reclaims the facility site and otherwise abides by the rules and order of the Division and the Oil Conservation Commission.
- d. The Financial Institution agrees that the funds 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 funds.

The Principal agrees that the Financial Institution may deduct from interest due the Principal any attorney fees incurred by the Financial Institution if claim or demand via writ, summons or other process arising from Principal's business is made upon the Financial Institution.

Signed this 23RD day of February, 2001.

Michael W. Marley
 Signature of PRINCIPAL, personally or by
 authorized officer

Secretary/Treasurer

Title

(Note: If PRINCIPAL is corporation, affix corporate seal here.)

Po Box 1658

Roswell, NM 88202

Mailing Address

Flancy Bayley
 Signature of authorized officer of Financial
 Institution

BUSINESS BANKER
 Title

P.O. Box 1977

Roswell, NM 88202
 Mailing Address

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF _____)

)SS.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2____,
by _____

My commission expires:

Date _____

Notary Public _____

ACKNOWLEDGMENT FORM FOR CORPORATION OR PARTNERSHIP

STATE OF New Mexico)

)SS.

COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 23 day of Feb-, 2001,
by _____

_____ officer of partner(s) of Gandy Marley Inc
a corporation, a partnership on behalf of said corporation or partnership.

My commission expires:

Date 10/8/2002Notary Public Mary Ralea

NOTE: When Principal is a partnership, corporation or association, list all partners, officers and directors as may be applicable. This information may be provided below.

ACKNOWLEDGMENT FORM FOR FINANCIAL INSTITUTION

STATE OF New Mexico)

)SS.

COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 23 day of Feb-, 2001,
by Nancy Baxley title Business Banker on behalf of

Wells Fargo Bank, financial institution.

My commission expires:

Date 10/8/2002Notary Public Mary Ralea



COMMERCIAL LAND FARMS

*A New Mexico Enterprise
Serving New Mexico's Needs*

RECEIVED
FEB 26

CONSERVATION DIVISION

February 23, 2001

Re: NM-711-I-0020 Financial Assurance

Ms. Martyne J. Kieling
Environmental Geologist
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Dear Ms. Kieling:

Please find enclosed the corrected form of Cash Bond For Waste Management Treatment Facilities.

Thank you, for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Marley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mike Marley
Gandy Marley, Inc



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 14, 1995

GandyMarley Inc.
PO Box 1658
Roswell, NM 88201

Attention: Bill Marley

Re: \$25,000 Cash Commercial Disposal Facility Bond
GandyMarley, Inc., Operator
Secs. 8 and 9, T-11-S, R-31-E, Chaves County
Bond No. OCD-523

Dear Mr. Marley:

The Oil Conservation Division hereby approves the above-referenced bond effective March 13, 1995.

Sincerely,

A handwritten signature in dark ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Hobbs, New Mexico

225,000.00 BOND FOR COMMERCIAL DISPOSAL FACILITY

MAY 8 52

File with Oil Conservation Division, P. O. BOX 2888, Santa Fe, New Mexico 87504

KNOW ALL MEN BY THESE PRESENTS:

That GandyMarley, Inc. (an individual) (partnership) (a corporation organized in the State of New Mexico with its principal office in the City of Tatum State of New Mexico and authorized to do business in the State of New Mexico), is held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department in the sum of Twenty Five Thousand (\$25,000.00) Dollars lawful money of the United States.

The conditions of this obligation are such that:

The above principal has heretofore or may hereafter enter into the collection, disposal or storage of produced water and/or other oil field related wastes in Section 8 & 9, Township 11 (North) (South), Range 31 (East) (West), N.M.P.M., Chaves County, New Mexico.

NOW, THEREFORE, This \$25,000 performance bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules, regulations, and orders of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department, and upon clean-up of the facility site to standards of the Oil Conservation Division; otherwise the principal amount of the bond to be forfeited to the State of New Mexico.

The applicant has deposited on behalf of the Division \$25,000 (Twenty-five thousand dollars) in the manner indicated on the attachment to this bond, being the principal sum intended to be secured. Applicant pledges the sum as a guarantee that if its executors, assigns, heirs and administrators will abide by the Laws of the State of New Mexico and the Rules and Regulations of the Oil Conservation Division in operating the commercial surface waste disposal facility, described herein, and that it will properly reclaim the facility site upon cessation of operations. If the applicant does not properly reclaim and restore the facility site, and otherwise abide by the Rules and Orders of the Oil Conservation Division, this bond shall be forfeited in full and such funds as necessary applied to the cost of reclaiming the facility site. If the principal sum of the bond is less than the actual cost incurred by the Division in reclaiming the plant site, the Division may institute legal action 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 properly reclaim and restore the above-described collection, disposal or storage site upon cessation of operations, and otherwise abide by the Rules and Orders of the Oil Conservation Division, then therefore, this obligation shall be null and void and the principal sum hereof shall be paid to the applicant, or its successors, heirs, or administrator, otherwise it shall remain in full force and effect.

Signed and sealed this 9th day of March, 19 95.

P.O. Box 1658
Roswell, NM 88201

Mailing Address

[Signature] Vice President
Signature Title

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

Ken
9-29-94

STATE OF New Mexico)
COUNTY OF Chaves) ss.

On this 9th day of March, 19 95, before me personally appeared Bill Marley, to me personally known who, being by me duly sworn, did say that he is Vice President of Gandy Marley, Inc 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 this certificate first above written.

[Signature]
Notary Public

3/14/96

My Commission Expires _____

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 this certificate first above written.

Notary Public

My Commission Expires: _____

(Note: Corporate surety attach power of attorney)

APPROVED BY:
OIL CONSERVATION DIVISION

By [Signature]

**ASSIGNMENT OF CASH COLLATERAL DEPOSIT
FOR BOND FOR COMMERCIAL SURFACE WASTE DISPOSAL FACILITY**


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

Date March 9, 1995


Pursuant to Rule 911 of the Rules of the Oil Conservation Division, or successor provisions, GandyMarley, Inc. (hereinafter referred to as "owner") of P.O. Box 1658 (address) has deposited with the Norwest Bank New Mexico N.A. (bank or state or national bank or savings association) of P.O. Box 1977 Roswell, NM 88201 (address) (herein termed "financial institution"). the sum of 25,000.00 dollars in Certificate of Deposit or savings account No. 4000117432. Owner 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. Owner and the financial institution agree that as to the deposited sum or funds:

- a. The funds deposited pursuant to the terms of this Agreement are to serve as a cash bond covering a commercial surface waste disposal facility operated by owner.
- b. 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 of the facility covered by this agreement.
- c. Owner 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.
- d. 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.

Owner agrees that the financial institution may deduct from interest due owner 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.


Signature of Owner,
Personally or by Authorized Officer
Bill Marley
Vice President

Title


Signature of Authorized Officer of
Financial Institution
Mark L. Odle
Vice President

Title

STATE OF NEW MEXICO

COUNTY OF CHAVES

1ss.

On this 9th day of March, 19 95, before me personally appeared Bill Marley and Mark L. Odle, to be 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:

3/14/96


ANGELA HUMBLE
NOTARY PUBLIC

OIL CONSERVATION DIVISION
RECEIVED

GANDY MARLEY, INC.
P. O. BOX 827
TATUM, NEW MEXICO 88267

'95 FEB 13 AM 8 52

RECEIVED

FEB 13 1995

Environmental Bureau
Oil Conservation Division

February 2, 1995

Mr. William J. LeMay
Director
State of New Mexico
Energy, Minerals and Natural Resources Department

RE: Closure Bonding of
Commerical Landfarm Permit (NM-711-1-0020)
Gandy Marley, Inc.
Chavez County, New Mexico

Dear Mr. LeMay:

Enclosed you will find our estimate of the costs for closing the commercial landfarm in Chaves County, New Mexico referenced to in the above permit to Gandy Marley, Inc.

We wish to thank you and your department for the effort put forth in helping us to receive this permit. We know that it takes many people who are willing to work with us to ever achieve these end results. If this closure procedure is not satisfactory, please let us know.

Yours truly,

Larry Gandy

Larry Gandy

LDG/rm

CC: Chris Eustice

GANDY MARLEY, INC.
P. O. BOX 827
TATUM, NEW MEXICO 88267

CLOSURE BOND REQUIREMENTS

CLOSURE COST ESTIMATES ON 1995 DOLLARS

- | | |
|---|------------------|
| 1. Remediation of contaminated soils to OCD standards at the time of closure. | \$ 5,000.00 |
| 2. Removal of all piping, lines, surface equipment and all other equipment. | 4,000.00 |
| 3. Reconturing and revegetation of the property to its original condition. | <u>18,500.00</u> |
| | \$27,500.00 |

These figures are estimates based on 1995 prices. Changes in OCD regulations and state and federal law and or permit modifications will require an annual update of closure cost estimates.

CERTIFICATION OF CLOSURE

Within 90 days after the completion of closure, the facility will submit a certified letter to the OCD that the facility has been closed in accordance with all applicable rules and laws for OCD's approval and release of bond.