

**NM1 - 27**

**BONDS**



BRUCE KING  
GOVERNOR

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

April 10, 1992

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

Bandera Petroleum Inc.  
P. O. Box 430  
Hobbs, New Mexico 88240

Attention: Jimmy Curtis

Re: \$25,000 Cash Treating Plant Bond  
Bandera Petroleum, Inc., Principal  
Sec. 16, T-20-S, R-37-E  
Lea County  
Bond No. OCD-344

Dear Mr. Curtis:

The Oil Conservation Division hereby approves the above-referenced treating plant bond effective this date.

Sincerely,

*William J. Lemay*  
WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Hobbs, New Mexico

0CD-34

NEW MEXICO OIL CONSERVATION DIVISION  
OF THE ENERGY & MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
RECEIVED

\$25,000.00 CASH TREATING PLANT BOND

'92 APR 10 AM 8 37

File with Oil Conservation Division, P. O. Box 2038, Santa Fe, New Mexico 87504

KNOW ALL MEN BY THESE PRESENTS:

That BANDERA PETROLEUM, INC., (an individual)  
(partnership) (a corporation organized in the State of NEW MEXICO,  
with its principal office in the City of HOBBS, 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 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 process of  
treating and reclaiming sediment oil in Section 16, Township 20 (North)  
South, Range 37 East (West), N.M.P.M., Lee 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 and Minerals  
Department, and upon clean-up of the plant 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 treating plant described herein, and that it will properly reclaim the  
plant site upon cessation of operations. If the applicant does not properly reclaim  
and restore the plant 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 plant 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  
treating plant 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 19th day of March, 1992.

BANDERA PETROLEUM, INC.

P.O. BOX 430, HOBBS NM 88240

Mailing Address

By Jimmy Curtis President  
Signature Title

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

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known to be the person (persons) \_\_\_\_\_ 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.

\_\_\_\_\_  
Notary Public

Commission expires \_\_\_\_\_

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF NEW MEXICO )  
COUNTY OF LEA ) ss.

On this 17 day of MARCH, 1992, before me personally appeared JIMMY CURTIS, to me personally known who, being by me duly sworn, did say that he is PRESIDENT of BANDERA PETROLEUM, 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 in this certificate first above written.

\_\_\_\_\_  
Notary Public

Commission expires 2-17-93

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By William J. LeMay  
Date \_\_\_\_\_

Adopted 9-1-86

ASSIGNMENT OF CASH COLLATERAL DEPOSIT  
for TREATING PLANT BOND

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


Date MARCH 18, 1992

Pursuant to Rule 312 of the Rules of the Oil Conservation Division, or successor provisions, BANDERA PETROLEUM, INC. (hereinafter referred to as "owner") of HOBBS, NEW MEXICO (address) has deposited with the SUNWEST BANK OF HOBBS, N.A. (name of state or national bank or savings association) of HOBBS, NEW MEXICO (address) (herein termed

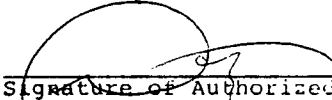
financial institution), the sum of 25,000.00 dollars in Certificate of Deposit or savings account No. CD #6965. Owner hereby assigns and conveys all right, title and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy and Minerals Department or successor agency of the State of New Mexico. Owner and the financial institution agree that as to the deposited sum or fund:

- a. The funds deposited pursuant to the terms of this Agreement are to serve as a cash bond covering a treating plant 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 treating plant 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

JIMMY CURTIS, PRESIDENT  
Title

  
Signature of Authorized Officer of  
Financial Institution

RICK WADLEY, SR. VICE PRESIDENT  
Title


STATE OF NEW MEXICO

COUNTY OF LEA

ss.

On this 19 day of MARCH, 19 92, before me personally appeared JIMMY CURTIS and RICK WADLEY, 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.

  
NOTARY PUBLIC

My Commission Expires:

MAY 18, 1993



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

July 8, 1997

**CERTIFIED MAIL**

**RETURN RECEIPT NO. P-326-936-306**

Ms. Kristy Mosley  
Sunwest Bank of Hobbs New Mexico N.A.  
Hobbs, NM 88241

**RE: CD Transfer from Jimmy Curtis to Kelly Maclaskey  
Bandera Petroleum, Inc.  
NW/4 NW/4 of Section 16, Township 20 South, Range 37 East, NMPM  
Lea County, New Mexico**

Dear Ms. Mosley:

The New Mexico Oil Conservation Division (OCD), hereby approves the transfer of Sunwest Bank CD No. 6965 for \$25,000 from Jimmy Curtis, President of Bandera Petroleum, Inc. to Kelly Maclaskey of Kelly Maclaskey Oilfield Services, Inc.

Upon the receipt of formal acceptance of this transfer by Sunwest Bank of Hobbs New Mexico N.A. the OCD will approve the transfer of the waste management permit.

If you have any questions please do not hesitate to contact me at (505) 827-7153.

Sincerely,

Martyne J. Kieling  
Environmental Geologist

xc: Hobbs OCD Office  
Jimmy Curtis, Bandera Petroleum, Inc. RETURN RECEIPT NO. P-326-936-307  
Kelly Maclaskey, Kelly Maclaskey Oilfield Services, Inc. RETURN RECEIPT NO. P-326-936-308