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BONDS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

January 15, 2004

Lori Wrotenberg

Director

Oil Conservation Division

Mr. Jay Anthony
B & K Landfarm
P.O. Box 398
Jal, NM 88252

**RE: \$ 26,350, \$26,350 and \$26,350 Irrevocable Letters of Credit
Commercial Surface Waste Management Facility Permit NM-01-0031
B & K Landfarm, Principal
Western Commerce Bank, Surety
SW/4 of Section 1, Township 26 South, Range 36 East, NMPM,
Lea County, New Mexico
Letters of Credit No. 658165, No. 661671 and No. 661255**

Dear Mr. Anthony:

The New Mexico Oil Conservation Division hereby approves the cancellation of the above-referenced financial assurance and releases Western Commerce Bank of any liability. Original irrevocable letters of credit No. 658165, No. 661671 and No. 661255 will be sent to Western Commerce Bank.

Sincerely,

Gail MacQuesten

Assistant General Counsel

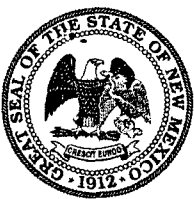
GM/mjk

Enclosure: Copy of irrevocable letters of credit No. 658165, No. 661671 and No. 661255.

xc with attachment:

Hobbs OCD Office

Rickie C. Arnold, Western Commerce Bank



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 1, 2002

CERTIFIED MAIL

RETURN RECEIPT NO. 7001-1940-0004-7923-4122

Mr. Jay Anthony
B & K Landfarm
P.O. Box 398
Jal, NM 88252

**RE: \$26,350 Irrevocable Letter of Credit
Commercial Surface Waste Management Facility Permit NM-01-0031
B & K Landfarm, Principal
Western Commerce Bank, Surety
SW/4 of Section 1, Township 26 South, Range 36 East, NMPM,
Lea County, New Mexico
Letter of Credit No. 661555**

Dear Mr. Anthony:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility Irrevocable Letter of Credit.

Sincerely,

David K. Brooks

Assistant General Counsel

DKB:mjk

Enclosure: Copy of irrevocable letter of credit No. 661255

xc with attachment:

Hobbs OCD Office

Rickie C. Arnold, Western Commerce Bank

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

Irrevocable Letter of Credit For Waste Management Facilities
(File with Oil Conservation Division, 1220 South Saint Francis, Santa Fe, New Mexico 87505)

LETTER OF CREDIT NO.

Western Commerce Bank [Name of Financial Institution], a corporation organized and existing under the laws of the State of New Mexico and authorized to do business in the State of New Mexico, as ISSUER, hereby establishes this Letter of Credit for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (DIVISION) pursuant to NMSA 1978, Section 70-2-12, as amended, for an aggregate amount not to exceed \$ 26,350.00 (\$.00) in United States dollars ("Face Amount") effective immediately. This Letter of Credit is established for B & K Landfarm (an individual, partnership, or a corporation) organized in the State of , with its principal office in the City of Jal, State of New Mexico and authorized to do business in the State of New Mexico, as APPLICANT.

1. The APPLICANT has or may 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 SW/4 1, Township 26, Range 36, NMPM, Lea County, New Mexico ("Facility").

2. This Letter of Credit is irrevocable for a term of not less than five (5) years and is conditioned upon substantial compliance by the APPLICANT with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission and DIVISION, including clean-up of the Facility site by the APPLICANT to the standards set by the DIVISION.

3. This Letter of Credit will expire on: (a) 5/3/07 [not less than five (5) years from the effective date of the Letter of Credit]; or (b) the date upon which sufficient documents are executed by the DIVISION to release the APPLICANT from further liability for closure of the Facility with notice to the ISSUER by the DIVISION accompanied by the original Letter of Credit with directions for cancellation. This Letter of Credit shall be forfeited and collected by the DIVISION if not replaced by approved financial assurance at least 90 days before the expiration date.

4. This Letter of Credit will remain effective until: (a) the expiration date; (b) the APPLICANT replaces this Letter of Credit with another acceptable form of financial assurance; or (c) the DIVISION releases the Letter of Credit pursuant to Paragraph 3 above.

5. Funds under this Letter of Credit are available against the DIVISION'S sight draft, in the form of Exhibit A, specifying Letter of Credit No. #661255 delivered to the office of the ISSUER at PO Box 1627, Lovington, NM 88260 [address]. At the DIVISION'S sole election, the DIVISION may present sight drafts for less than the Face Amount of this Letter of Credit so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the DIVISION.

12/00

6. If the ISSUER receives the DIVISION'S sight draft(s) and certificate(s) as provided in Paragraph 5,

above, on or before the expiration or termination of this Letter of Credit, the ISSUER will pay such amount as the DIVISION may specify, up to an aggregate amount not to exceed the Face Amount of this Letter of Credit available to the DIVISION no later than 5 p.m., in Santa Fe, NM on the second business day following the ISSUER'S receipt of the sight draft and certificate and in such a manner as the DIVISION may specify.

7. The ISSUER will give prompt notice to the APPLICANT and to the DIVISION Director of any notice received or action filed alleging the insolvency or bankruptcy of the ISSUER, or alleging any violations of regulatory requirements which are reasonably likely to result in suspension or revocation of the ISSUER'S charter or license to do business.

8. This Letter of Credit will be governed by the laws of the State of New Mexico.

9. All communications regarding this Letter of Credit will be addressed to the ISSUER at
PO Box 1627, Lovington, NM[address], referencing Letter of Credit No. #661255
88260

Very truly yours,

Western Commerce Bank
ISSUER

By: Rickie C. Arnold,
(Name typed or printed)

Rickie C. Arnold
(Authorized Signature)

Title: Vice President

STATE OF NEW MEXICO

)SS.

COUNTY OF Lea

On this 19th day of April, 2002 before me personally appeared
Rickie C. Arnold of ~~xxx~~ Western Commerce Bank, 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.

My commission expires:

7/27/02
Date

Ava Spears
Notary Public



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

February 13, 2002

CERTIFIED MAIL

RETURN RECEIPT NO. 7099 3220-000-5051-2955

Mr. Jay Anthony
B & K Landfarm
P.O. Box 398
Jal, NM 88252

**RE: \$26,350 Irrevocable Letter of Credit
Commercial Surface Waste Management Facility Permit NM-01-0031
B & K Landfarm, Principal
Western Commerce Bank, Surety
SW/4 of Section 1, Township 26 South, Range 36 East, NMPM,
Lea County, New Mexico
Letter of Credit No. 661671**

Dear Mr. Anthony:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility Irrevocable Letter of Credit.

Sincerely,

David K. Brooks

Assistant General Counsel

DKB:mjk

Enclosure: Copy of irrevocable letter of credit No. 661671

xc with attachment:

Hobbs OCD Office

Rickie C. Arnold, Western Commerce Bank

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

Irrevocable Letter of Credit For Waste Management Facilities
(File with Oil Conservation Division, 1220 South Saint Francis, Santa Fe, New Mexico 87505)

LETTER OF CREDIT NO. #661671

Western Commerce Bank [Name of Financial Institution], a corporation organized and existing under the laws of the State of New Mexico and authorized to do business in the State of New Mexico, as ISSUER, hereby establishes this Letter of Credit for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (DIVISION) pursuant to NMSA 1978, Section 70-2-12, as amended, for an aggregate amount not to exceed \$ 26,350.00 ~~XXXXXXXXXXXX~~ in United States dollars ("Face Amount") effective immediately. This Letter of Credit is established for B & K Landfarm an individual, partnership, or a corporation) organized in the State of , with its principal office in the City of Jal, State of New Mexico and authorized to do business in the State of New Mexico, as APPLICANT.

1. The APPLICANT has or may 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 1 ^{SW/4}, Township 26S, Range 36E, NMPM, Lea County, New Mexico ("Facility").

2. This Letter of Credit is irrevocable for a term of not less than five (5) years and is conditioned upon substantial compliance by the APPLICANT with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission and DIVISION, including clean-up of the Facility site by the APPLICANT to the standards set by the DIVISION.

3. This Letter of Credit will expire on: (a) 5/3/07 [not less than five (5) years from the effective date of the Letter of Credit]; or (b) the date upon which sufficient documents are executed by the DIVISION to release the APPLICANT from further liability for closure of the Facility with notice to the ISSUER by the DIVISION accompanied by the original Letter of Credit with directions for cancellation. This Letter of Credit shall be forfeited and collected by the DIVISION if not replaced by approved financial assurance at least 90 days before the expiration date.

4. This Letter of Credit will remain effective until: (a) the expiration date; (b) the APPLICANT replaces this Letter of Credit with another acceptable form of financial assurance; or (c) the DIVISION releases the Letter of Credit pursuant to Paragraph 3 above.

5. Funds under this Letter of Credit are available against the DIVISION'S sight draft, in the form of Exhibit A, specifying Letter of Credit No. 661671 delivered to the office of the ISSUER at 18 W Adams, PO Box 1627, Lovington, NM [address]. At the DIVISION'S sole election, the DIVISION may present sight drafts for less than the Face Amount of this Letter of Credit so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the DIVISION.

12/00

6. If the ISSUER receives the DIVISION'S sight draft(s) and certificate(s) as provided in Paragraph 5,

above, on or before the expiration or termination of this Letter of Credit, the ISSUER will pay such amount as the DIVISION may specify, up to an aggregate amount not to exceed the Face Amount of this Letter of Credit available to the DIVISION no later than 5 p.m., in Santa Fe, NM on the second business day following the ISSUER'S receipt of the sight draft and certificate and in such a manner as the DIVISION may specify.

7. The ISSUER will give prompt notice to the APPLICANT and to the DIVISION Director of any notice received or action filed alleging the insolvency or bankruptcy of the ISSUER, or alleging any violations of regulatory requirements which are reasonably likely to result in suspension or revocation of the ISSUER'S charter or license to do business.

8. This Letter of Credit will be governed by the laws of the State of New Mexico.

9. All communications regarding this Letter of Credit will be addressed to the ISSUER at 18 W Adams, PO Box 1627 [address], referencing Letter of Credit No. 661671.
Lovington, NM 88260

DATED THIS 8th day of January, 2002.

Very truly yours,

Western Commerce Bank

ISSUER

By: Rickie C. Arnold
(Name typed or printed)

Rickie C. Arnold
(Authorized Signature)

Title: Vice President

STATE OF NEW MEXICO

)SS.

COUNTY OF Lea

On this 10th day of January, 2002, before me personally appeared Rickie C. Arnold, V.P. of ~~and~~ Western Commerce Bank, 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.

My commission expires: 7/27/02

Rob Spears
Notary Public

Date



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

July 21, 2000

CERTIFIED MAIL

RETURN RECEIPT NO. Z-559-573-325

Mr. Jay Anthony
B & K Landfarm
P.O. Box 398
Jal, NM 88252

**RE: \$26,350 Irrevocable Letter of Credit for Commercial Surface Waste Management Facility
Permit NM-01-0031
B & K Landfarm, Principal
Western Commerce Bank, Surety
SW/4 of Section 1, Township 26 South, Range 36 East, NMPM,
Lea County, New Mexico
Letter of Credit No. 658165**

Dear Mr. Anthony:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility Irrevocable Letter of Credit.

Sincerely,

Marilyn S. Hebert,
Legal Counsel

MSH:mjk

Enclosure: Copy of irrevocable letter of credit No. 658165

xc with attachment:

Hobbs OCD Office

Dan Hardin, Western Commerce Bank

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division

Irrevocable Letter of Credit For Waste Management Facilities

(File with Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505)

LETTER OF CREDIT NO. #658165

Western Commerce Bank [Name of Issuing Bank] (Issuing Bank), a corporation organized and existing under the laws of the State of New Mexico, and authorized to do business in the State of New Mexico with a duly appointed resident agent in the State of New Mexico, hereby establishes this Irrevocable Letter of Credit for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (the "Division") pursuant to Section 70-2-12 NMSA 1978, as amended for an aggregate amount not to exceed \$ 26,350.00 (~~XXXXXXXXXX~~) [closure cost estimate] in United States dollars ("Face Amount") effective immediately. This Letter of Credit is established for B & K Landfarm, (an individual, partnership, or a corporation organized in the State of New Mexico, with its principal office in the City of Jal, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL.

The conditions of this obligation are such that:

1. The Principal has or may 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 and/or other oil field related waste in Section SW 1/4 1, Township 26 S, Range 36 E, NMPM, Lea County, New Mexico (the Facility).

2. This Letter of Credit is irrevocable for a term of not less than five (5) years and is conditioned upon substantial compliance by the Principal with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission and Division, and upon clean-up of the facility site by the Principal to the standards set by the Division.

3. This Letter of Credit will expire on (a) 6/3/05 [not less than five (5) years from the effective date of the Letter of Credit] or (b) the date upon which sufficient documents are executed by the Division to release the principal from further liability for closure of the Facility with notice to the Issuing Bank by the Division accompanied by the original Letter of Credit with directions for cancellation. This Letter of Credit shall be forfeited and collected by the State of New Mexico if not replaced by other suitable financial assurance or Letter of Credit at least 90 days before the expiration date.

4. This Letter of Credit will remain effective until the (a) expiration date or (b) the operator (principal) replaces this Letter of Credit with another acceptable form of financial assurance or (c) the Division releases the Letter of Credit pursuant to Paragraph 3 above, whichever is earlier.

5. Funds under this Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. #658165 delivered to the office of the Issuing Bank at 18 W Adams, PO Box 1627, Lovington, NM 88260 [address]. At the Division's sole election, the Division may present sight drafts for less than the Face Amount of this Letter of Credit so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, purportedly signed by a duly authorized representative of the Division.

6. If the Issuing Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph 5. above on or before the expiration or termination of this Letter of Credit, the Issuing Bank will pay such amount as the Division may specify, up to an aggregate amount not to exceed the Face Amount of this Letter of Credit available to the Division, no later than the close of business, Santa Fe time, on the second business day following the Issuing Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify.

7. The Issuing Bank will give prompt notice to the Principal and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Issuing Bank, or alleging any violations of regulatory requirements which are reasonably likely to result in suspension or revocation of the Issuing Bank's charter or license to do business.

8. This Letter of Credit will be governed by the laws of the State of New Mexico and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1983 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP").

9. All communications regarding this Letter of Credit will be addressed to the Issuing Bank at
18 W Adams, PO Box 1627, Lovington [address], referencing Letter of Credit No. #658165
NM 88260

Very truly yours,

Dated this 12th day of June, 2000.

Surety

By: Western Commerce Bank

(Name typed or printed)

Dan Hardin VP
(Authorized Signature)

Title: Dan Hardin, Vice President

STATE OF NEW MEXICO

COUNTY OF Lea)SS.

On this 12th day of June, 2000, before me personally appeared Dan Hardin, V P of Western Commerce Bank, a New Mexico Corp., 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.

My commission expires:

7/27/02

Date

[Signature]
Notary Public

APPROVED BY:
NEW MEXICO OIL CONSERVATION DIVISION

By: [Signature]

Date: 7/21/00