

NM1 - 12

BONDS



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 5, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-482

Mr. Jimmie T. Cooper
C and C Land Farm, Inc.
P.O. Box 55
Monument, NM 88265

**RE: \$100,530 Cash Bond for Commercial Surface Waste Management Facilities
Permit NM-01-0012
C and C Land Farm, Inc., Principal
Norwest Bank New Mexico, National Association, Surety
Savings Account No. 5400081306**

Dear Mr. Cooper:

The New Mexico Oil Conservation Division hereby approves the above-referenced commercial surface waste management facility cash bond and assignment of cash collateral deposit.

Sincerely,

Rand Carroll,
Legal Counsel

RC:mjk

Enclosure: Copy of cash bond and cash collateral deposit No. 5400081306

xc with attachment:

Hobbs OCD Office
Mr. Eddie Seay, Eddie Seay Consulting, 601 W. Illinois, Hobbs, NM 88240

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

Assignment of Cash Collateral Deposit For Bond for Waste Management Facility

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

Date May 14, 1998

Pursuant to Rule 711 of the Rules of the Oil Conservation Division, or successor provisions,
C and C Land Farm, Inc.

(hereinafter referred to as owner) of P.O. Box 55, Monument, NM 88265-0055 (address)
has deposited with the Norwest Bank New Mexico, National Association (name of state
or national bank or savings association) of P.O. Box 1290, Hobbs, New Mexico 88241-1290 (address) (herein

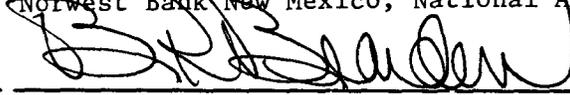
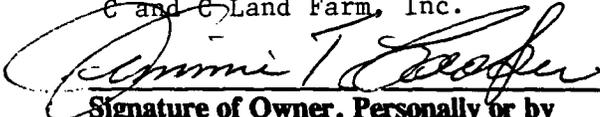
termed financial institution), the sum of \$100,530.00 dollars in Certificate of
Deposit or savings account No. 5400081306. Owner hereby assigns and conveys all right, title
and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the
Energy, Minerals and Natural Resources Department (the "Division") 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 waste management facility operated by owner.
- b. The 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 provided all applicable Division orders and rules have been complied with.
- 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 owner's business is made upon the financial institution.

C and C Land Farm, Inc.

Norwest Bank New Mexico, National Association



**Signature of Owner, Personally or by
Authorized Officer**

**Signature of Authorized Officer of Financial
Institution**

Jimmie T. Cooper

Beverly K. Bearden

President

Sr. Vice President

Title

Title

(For a natural person acting in his own right:)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____.

My commission expires:

_____ Date

_____ Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____,
_____ partner(s) on behalf of
_____, a partnership.

My commission expires:

_____ Date

_____ Notary Public

3. (For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 14 day of May, 1998,
by Jimmie T. Cooper, President, C and C Land Farm, Inc.,
a corporation, on behalf of said corporation.

My commission expires:

February 12, 2002
_____ Date

Michelle Mills
_____ Notary Public

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

APPROVED BY:
OIL CONSERVATION DIVISION
By: Rand Carroll

Energy, Minerals and Natural Resources Department
Oil Conservation Division

Cash Bond For Waste Management Facilities

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

KNOW ALL MEN BY THESE PRESENTS:

That C & C LANDFARM, INC., (an individual, partnership, or a corporation organized in the State of N. Mex., with its principal office in the City of Monument, State of N. Mex., 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 (the "Division") in the sum of \$100,530⁰⁰ Dollars.

The conditions of this obligation are such that:

The above 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 and/or other oil field related waste in Section 3, Township 20, Range 37, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$ 100,530⁰⁰ performance 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 principal amount of the bond to be forfeited to the State of New Mexico.

The applicant has deposited on behalf of the Division \$ 100,530⁰⁰ (dollars) in the manner indicated on the attachment to this bond (Assignment of Cash Collateral Deposit), being the principal sum intended to be secured. Applicant pledges the sum as a guarantee that its executors, assigns, heirs and administrators will abide by the Laws 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 applicant 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 principal sum of the bond is less than the actual cost incurred by the Division in reclaiming the facility 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 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 applicant, or its successors, heirs, or administrator, otherwise it shall remain in full force and effect.

Signed and sealed this 16th day of July, 1998.

Box 55 Monument N. Mex.
Mailing Address

By [Signature] President
Signature Title

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

1. (For a natural person acting in his own right:)

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

The foregoing instrument was acknowledged before me this 16th day of July, 1998, by _____

My commission expires:

MARCH 21, 2002
Date

Oradee Nelson
Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, partner(s) on behalf of _____, a partnership.

My commission expires:

Date

Notary Public

3. (For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 16th day of JULY, 1998, by Jimmie T Cooper - President - CORPORATION, a corporation, on behalf of said corporation.

My commission expires:

March 21, 2002
Date

Oradee Nelson
Notary Public

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

APPROVED BY:
OIL CONSERVATION DIVISION
By: [Signature]



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 1, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-441

Mr. Ron Mullins
Norwest Bank New Mexico, N.A.
Hobbs, Office
P.O. Box 1290
Hobbs New, New Mexico 88241

**RE: \$100,530. Cash Bond for Commercial Waste Management Facility
C&C Land Farm, Inc., Principal
W/2 NE/4 and N/2 NW/4, Section 3, Township 20 South, Range 37 East,
NMPM, Lea County, New Mexico
Norwest Bank New Mexico, N.A., Surety
Savings Account No. 5400081306**

Dear Mr. Mullins:

The New Mexico Oil Conservation Division (OCD) received the C&C Land Farm Inc. Assignment of Cash Collateral Deposit For Bond For Waste Management Facility dated May 14, 1998 from Norwest Bank New Mexico, N.A. The Assignment of Cash Collateral Deposit For Bond For Waste Management Facility must be in conjunction with a Cash Bond For Waste Management Facility.

I am keeping the Assignment of Cash Collateral. Enclosed please find a Cash Bond form. Please complete all spaces and return to me, so I may proceed with the processing. I am sorry for any inconvenience that this may have caused.

If you have any questions please call me at (505) 827-7153

Sincerely,

A handwritten signature in cursive script that reads "Martyne J. Kieling".

Martyne J. Kieling
Environmental Geologist

Enclosures:

xc without enclosures:

Hobbs District Office
Eddie W. Seay, C&C Landfarm, Inc.
Jimmie T. Cooper, C&C Landfarm, Inc.

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

**Assignment of Cash Collateral Deposit For Bond for Waste Management Facility
(Must be a federally-insured bank or saving institution within the State of New Mexico.)**

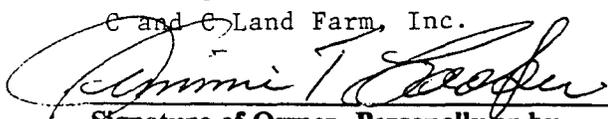
Date May 14, 1998

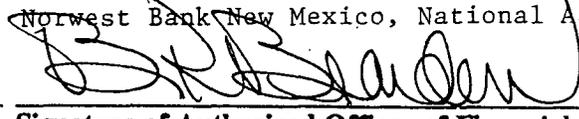
Pursuant to Rule 711 of the Rules of the Oil Conservation Division, or successor provisions,
C and C Land Farm, Inc.

(hereinafter referred to as owner) of P.O. Box 55, Monument, NM 88265-0055 (address)
has deposited with the Norwest Bank New Mexico, National Association (name of state
or national bank or savings association) of P.O. Box 1290, Hobbs, New Mexico 88241-1290 (address) (herein
termed financial institution), the sum of \$ 100,530.00 dollars in Certificate of
Deposit or savings account No. 5400081306. 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, Minerals and Natural Resources Department (the "Division") 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 waste management facility operated by owner.
- b. The 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 provided all applicable Division orders and rules have been complied with.
- 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 owner's business is made upon the financial institution.

C and C Land Farm, Inc.

Signature of Owner, Personally or by
Authorized Officer
Jimmie T. Cooper

Norwest Bank New Mexico, National Association

Signature of Authorized Officer of Financial
Institution
Beverly K. Bearden

President
Title

Sr. Vice President
Title

(For a natural person acting in his own right:)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____.

My commission expires:

_____ Date _____ Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____,
_____ partner(s) on behalf of
_____, a partnership.

My commission expires:

_____ Date _____ Notary Public

3. (For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 14 day of May, 1998,
by Jimmie T. Cooper, President, C and C Land Farm, Inc.,
a corporation, on behalf of said corporation.

My commission expires:

February 12, 2002
Date

Michelle Mills
Notary Public

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

**APPROVED BY:
OIL CONSERVATION DIVISION**

By: _____



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

April 30, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-421

Mr. Jimmie T. Cooper
C & C Landfarm Inc.
Box 55
Monument, New Mexico 88265

RE: **OCD Rule 711 Permit Approval NM-01-0012**
C & C Landfarm Inc., 160 Acre
W/2 NE/4 and N/2 NW/4, Section 3, Township 20 South, Range 37 East, NMPM
Lea County, New Mexico,

Dear Mr. Cooper:

The permit application for the **C & C Landfarm Inc. (C&C) centralized surface waste management landfarm facility** located in the W/2 NE/4 and N/2 NW/4 of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, **is hereby approved** in accordance with New Mexico Oil Conservation Division (OCD) Rule 711 under the conditions contained in the enclosed attachment. **This permit approval is conditional upon the receipt and approval by the Director of financial assurance in the amount of \$125,530.** According to the schedule outlined in the financial assurance section of the enclosed attachment, half of the \$125,530 bond (\$62,765) is required within thirty (30) days of the dated of this permit approval letter. The application consists of the original Order R-9769 dated November 16, 1992, Order R-9769-A dated April 29, 1993, Order R-9769-A(1) dated September 7, 1994, the expansion approval dated October 8, 1996, the expansion request dated August 8, 1997, the permit renewal request dated September 1, 1997, and the supplemental materials dated February 16, 1998.

The operation, monitoring and reporting shall be as specified in the enclosed attachment. All modifications and alternatives to the approved landfarming methods must receive prior OCD approval. C&C is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this facility permit does not relieve C & C Landfarm, Inc. of liability should your operation result in actual pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve C & C Landfarm, Inc. of

Mr. Jimmie T. Cooper
April 30, 1998
Page 2

responsibility for compliance with other federal, state or local laws and/or regulations.

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoirs, or open receptacles.

The facility is subject to periodic inspections by the OCD. The conditions of this permit and the facility will be inspected and reviewed by the OCD no later than five (5) years from the date of this approval. In addition, the closure cost estimate will be reviewed according to prices and remedial work estimates at the time of review. The financial assurance may be adjusted to incorporate any closure cost changes.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.**

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

Sincerely,



Lori Wrottenbery
Director

LR/mjk

xc with attachments:

Hobbs OCD Office
Eddie Seay, Consulting Services
Heidel Samberson Newel & Cox for S-W Cattle Co.

N ↑

○ Pr4 water wells
○ Pr4 water wells

County Rd 59

Texas New Mexico Pipeline

Entrance
1/2 m of
low flow m

100 ft Buffer Zone

UNIT C

40 AC

Divided into 5 ac Cells
As needed

UNIT D

40 AC

Divided into 5 ac cells
As needed

Buffer Zone
Buffer Zone
Sid Richardson Pipeline

Fence

Berry

Trench

2 15001

3 15001

County Rd 58

Unit B

29

2

Cell F

well site

well site

Cell E

Road

Caliche Pit

Fence

County Rd 58

Unit G

Fence

Amerada well site

Cell C

Cell B

Cell D

Cell A

Caliche Pit will be cell G

Caliche Pit

Gate

Fence

