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BONDS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 6, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Mr. Ronald Bradshaw
DD Landfarm
317 W. Blanco
Hobbs, NM 88242

**RE: \$22,675 and \$5,157 Commercial Surface Waste Management Facility Cash
Bonds and Assignments of Cash Collateral for Permit NM-01-0034
DD Landfarm, Principal
Wells Fargo Bank New Mexico, N.A., Financial Institution
W/2 W/2 Section 31, Township 21 South, Range 38 East, NMPM,
Lea County, New Mexico
CD No. 254361045 and No. 3058011036**

Dear Mr. Bradshaw:

The New Mexico Oil Conservation Division (OCD) hereby approves the above-referenced Commercial Surface Waste Management Facility Cash Bonds and Assignments of Cash Collateral. The OCD records show that DD Landfarm now has a total of \$111,329 in financial assurance on file and is in compliance with OCD Permit NM-01-0034.

If you have any questions please contact Martyne Kieling at (505) 476-3488.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gail MacQuesten".

Gail MacQuesten
Assistant General Counsel

GM:mjk

Enclosure: Copy Cash Bonds and Assignments of Cash Collateral CD No. 254361045
and No. 3058011036

xc with enclosure:
Hobbs OCD Office
Beth Meyers, Wells Fargo Bank NM, N.A., 1910 N. Turner St., Hobbs, NM
88240

RECEIVED^{10/01}

Energy, Minerals and Natural Resources Department
Oil Conservation Division

MAR 29 2004

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 DD LANDFARM INC (an individual, partnership, or 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), 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 TWENTY TWO THOUSAND SIX HUNDRED (\$ 22,675 .00) Dollars.
SEVENTY FIVE AND 00/100

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 31, Township 21S, Range 38E, NMPM, LEA County, New Mexico.

NOW, THEREFORE, this \$ 22,675.00 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 \$22,675 .00 (TWENTY TW THOUSAND SIX HUNDRED SEVENTY FIVE 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, DD LANDFARM INC, (hereinafter "Principal"), of 317 W BLANCO, HOBBS, NM 88240 (address) has deposited with the WELLS FARGO BANK N.A. (name of the financial institution, which must be a federally insured bank or savings institution within the state of New Mexico) of (address) (hereinafter "Financial Institution"), the sum of TWENTY TWO THOUSAND SIX HUNDRED SEVENTY FIVE & no/100 (\$ 22,675.00) dollars in Certificate of Deposit or savings account No. 2543616045. 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, without further consent by the Principal, 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 26th day of MARCH, 2004.

By Principal *Ronald Bradshaw*
RONALD BRADSHAW

By Financial Institution WELLS FARGO BANK N.A.

By Principal *Jimmie T Cooper*
JIMMIE T COOPER

Beth Meyer, Store Mgr.
Title

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

317 W BLANCO

1910 N TURNER ST

HOBBS, NM 88240

HOBBS, NM 88240

Mailing Address

Mailing Address

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2004, by

My commission expires:

Date

Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATION OR PARTNERSHIP

STATE OF NEW MEXICO)
)SS.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me this 26th day of MARCH, 2004, by
RONALD BRADSHAW AND JIMMIE T COOPER

officer or partner(s) of DD LANDEARM INC, a
corporation, a partnership on behalf of said corporation or partnership.

My commission expires: 01-28-2008

Date

Doyle G Busnell
Notary Public
DOYLA G BUSSELL

NOTE: When Principal is a partnership, corporation of 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 LEA)

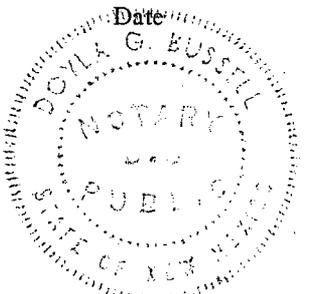
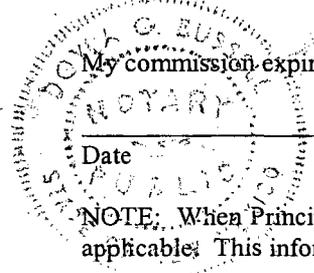
The foregoing instrument was acknowledged before me this 26th day of MARCH, 2004, by
BETH MYERS title STORE MANAGER on behalf of
WELLS FARGO BANK N.A., financial institution.

My commission expires:

01-28-2008

Date

Doyle G Busnell
Notary Public
DOYLA G BUSSELL



RECEIVED 10/01

Energy, Minerals and Natural Resources Department
Oil Conservation Division

APR 05 2004

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 DD LANDFARM INC (an individual, partnership, or 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), 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 Five Thousand One Hundred Fifty (\$ 5,157 .00) Dollars.
Seven and no/100

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 31, Township 21S, Range 38E, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$ 5,157.00 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 \$ 5,157 .00 (~~Five thousand one hundred fifty seven and no/100~~ 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, DD LANDFARM INC (hereinafter "Principal"), of 317 W BLANCO, HOBBS NM 88240 (address) has deposited with the WELLS FARGO BANK N.A. (name of the financial institution, which must be a federally insured bank or savings institution within the state of New Mexico) of (address) (hereinafter "Financial Institution"), the sum of Five thousand one hundred (\$5,157.00) dollars in Certificate of Deposit or savings account No. 3058011036 ~~fifty seven and no/100~~. 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, without further consent by the Principal, 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 1st day of April, 2004.

By Principal *Ronald Bradshaw*
RONALD BRADSHAW

By Financial Institution WELLS FARGO BANK N.A.

By Principal *Jimmie T. Cooper*
JIMMIE T. COOPER

Beth Mgr, Store Mgr.
Title

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

317 W Blanco

1910 N Turner St

Hobbs, NM 88240

Hobbs, NM 88240

Mailing Address

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 LEA)

The foregoing instrument was acknowledged before me this 1st day of April, 2004, by
RONALD BRADSHAW AND JIMMIE T COOPER

officer or partner(s) of DD LANDFARM INC, a
corporation, a partnership on behalf of said corporation or partnership.

My commission expires: 01/28/2008

Date

Doyle G Busnell
Notary Public
DOYLE G BUSSELL

NOTE: When Principal is a partnership, corporation of 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 LEA)

The foregoing instrument was acknowledged before me this 1st day of April, 2004, by
BETH MYERS title STORE MANAGER on behalf of
WELLS FARGO BANK N.A., financial institution.

My commission expires:

01/28/2008

Date

Doyle G Busnell
Notary Public
DOYLE G BUSSELL



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

November 15, 2002

CERTIFIED MAIL
RETURN RECEIPT NO. 7001-1940-0004-3929-8232

Mr. Ronald Bradshaw
DD Landfarm
317 W. Blanco
Hobbs, NM 88242

**RE: \$27,832 Commercial Surface Waste Management Facility Cash Bond and
Assignment of Cash Collateral for Permit NM-01-0034
DD Landfarm, Principal
Wells Fargo Bank New Mexico, N.A., Financial Institution
W/2 W/2 Section 31, Township 21 South, Range 38 East, NMPM,
Lea County, New Mexico
CD No. #9956487335**

Dear Mr. Ronald Bradshaw:

The New Mexico Oil Conservation Division (OCD) hereby approves the above-referenced Commercial Surface Waste Management Facility Cash Bond and Assignment of Cash Collateral. The OCD records show that DD Landfarm now has a total of \$83,497 in financial assurance on file and is in compliance with OCD Permit NM-01-0034.

Sincerely,

David K. Brooks
Assistant General Counsel, EMNRD

DKB:mjk

Enclosure: Copy Cash Bond and Assignment of Cash Collateral CD No. #9956487335

xc with enclosure:

Hobbs OCD Office
Lilah Koenig, Wells Fargo Bank NM, N.A., P.O. Box 1290, Hobbs, NM 88241

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 DD LANDFARM (an individual, partnership, or 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), 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 TWENTY SEVEN THOUSAND EIGHT (\$ 27,832 .00) Dollars.
HUNDRED THIRTY TWO AND 00/100

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 31, Township 21S, Range 38E, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$ 27,832.00 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 \$ 27,832.00 (**Twenty Seven Thousand Eight Hundred Thirty Two** 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, DD LANDFARM, (hereinafter "Principal"), of 317 W BLANCO, HOBBS, NM 88240 (address) has deposited with the WELL FARGO BANK NM NA (name of the financial institution, which must be a federally insured bank or savings institution within the state of Twenty Seven Thousand Eight (address) (hereinafter "Financial Institution"), the sum of Hundred Thirty Two & No/100 \$ 27,832 .00 dollars in Certificate of Deposit or savings account No. 9956487335. 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, without further consent by the Principal, 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 17th day of OCTOBER, 2 002.

DD LANDFARM

By Principal *Ronald Bradshaw*
RONALD BRADSHAW

By Principal *Bill Fowler*
BILL FOWLER

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

WELLS FARGO BANK NEW MEXICO NA

By Financial Institution _____

Lilah Koenig
Title LILAH KOENIG, ASSISTANT VICE PRESIDENT

317 W BLANCO

HOBBS NM 88240

Mailing Address

P.O. BOX 1290

HOBBS NM 88241

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 LEA)

The foregoing instrument was acknowledged before me this 17th day of OCTOBER, 2002 by RONALD BRADSHAW AND BILL FOWLER

officer or partner(s) of DD LANDFARM, a corporation, a partnership on behalf of said corporation or partnership.

My commission expires:

03-24-2004

Date

Notary Public

Deena Williams
DEENA WILLIAMS

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 LEA)

The foregoing instrument was acknowledged before me this 17th day of OCTOBER, 2002, by LILAH KOENIG title ASSISTANT VICE PRESIDENT on behalf of WELLS FARGO BANK NEW MEXICO NA, financial institution.

My commission expires:

03-24-2004

Date

Notary Public

Deena Williams
DEENA WILLIAMS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

February 13, 2002

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 7099-3220-0000-5051-2924

Mr. Ronald Bradshaw
DD Landfarm
317 W. Blanco
Hobbs, NM 88240-3317

**RE: \$27,833 and \$27,832 Cash Bonds and Assignment of Cash Collateral
Commercial Surface Waste Management Facility Permit NM-01-0034
DD Landfarm, Principal
Wells Fargo Bank New Mexico, N.A., Financial Institution
W/2 W/2 Section 31, Township 21 South, Range 38 East, NMPM,
Lea County, New Mexico
CD No. 6841062240 and No. 6957897561**

Dear Mr. Bradshaw:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility Cash Bonds and Assignment of Cash Collateral.

Sincerely,

David K. Brooks
Assistant General Counsel

DKB:mjk

Enclosure: Copy Cash Bonds and Assignment of Cash Collateral CD No.6841062240
and No.6957897561

xc with attachment:

Hobbs OCD Office
Mary Hogan , Wells Fargo Bank NM, N.A., P.O. Box 1290, Hobbs, NM 88241-1290



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Acting Cabinet Secretary

February 13, 2002

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 7099-3220-0000-5051-2931

Mr. Ronald Bradshaw
DD Landfarm
317 W. Blanco
Hobbs, NM 88240-3317

**RE: \$27,833 Cash Bonds and Assignment of Cash Collateral
Commercial Surface Waste Management Facility Permit NM-01-0034
DD Landfarm, Principal
Wells Fargo Bank New Mexico, N.A., Financial Institution
W/2 W/2 Section 31, Township 21 South, Range 38 East, NMPM,
Lea County, New Mexico
CD No. 294673108**

Dear Mr. Bradshaw:

The New Mexico Oil Conservation Division hereby approves the cancellation of the above-referenced assignment of cash collateral deposit.

Sincerely,

David K. Brooks
Assistant General Counsel

DKB:mjk

Enclosure: Original Cash Bonds and Assignment of Cash Collateral CD No. 294673108

xc with attachment:

Hobbs OCD Office
Mary Hogan , Wells Fargo Bank NM, N.A., P.O. Box 1290, Hobbs, NM 88241-1290



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

March 26, 2000

Lori Wrotenbery

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 7099-3220-0000-5051-1208

Mr. Ronald Bradshaw
DD Landfarm
317 W. Blanco
Hobbs, NM 88242

**RE: \$27,833 Cash Bond and Assignment of Cash Collateral
Commercial Surface Waste Management Facility Permit NM-01-0034
DD Landfarm, Principal
Wells Fargo Bank New Mexico, N.A., Financial Institution
W/2 W/2 Section 31, Township 21 South, Range 38 East, NMPM,
Lea County, New Mexico
CD No. #294673108**

Dear Mr. Ronald Bradshaw:

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

SR:mjk

Enclosure: Copy Cash Bond and Assignment of Cash Collateral CD No. #294673108

xc with attachment:

Hobbs OCD Office
Randy Atwood, Wells Fargo Bank NM, N.A., P.O. Box 1290, Hobbs, NM 88241-1290

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

Cash Bond For Waste Management Facilities

KNOW ALL MEN BY THESE PRESENTS:

That DD Landfarm, (an individual, partnership, or a corporation organized in the State of New Mexico, with its principal office in the City of Monument, State of New Mexico, and authorized to do business in the State of New Mexico), (hereinafter "Principal") 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 (hereinafter "Division") in the sum of Twenty Seven Thousand Eight Hundred Thirty Three & 00/100 (\$ 27,833.00) 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 31, Township 21S, Range 38E, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$ 27,833.00 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 State of New Mexico.

The Principal has deposited funds on behalf of the Division in the amount of \$ 27,833.00 (~~Twenty Seven Thousand Eight Hundred Thirty Three & 00/100~~ ^{Twenty Seven Thousand 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 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 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 Principal, its successors, assigns, heirs, or administrators 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 funds securing this bond 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, DD Landfarm (hereinafter

"Principal") of P. O. Box 55, Monument, New Mexico 88265 (address) has deposited with the Wells Fargo Bank New Mexico, National Association (name of the financial institution, which must be a federally insured bank or savings institution within the State of New Mexico) of P.O.Box 1290, Hobbs, NM 88241 (address) (hereinafter "Financial Institution"), the sum of Twenty Se-

Thousand Eight Hundred Thirty Three & 00/100 (\$ 27,833.00) dollars in Certificate of Deposit or savings account No. 294673108.

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 funds 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 funds and has only the right to interest, if any, thereon, and to return of the funds upon written order of the Division.
- 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 the Principal's business is made upon the Financial Institution.

Signed and sealed this 12th day of December, 2000.

DD Landfarm

Jim Cooper
Signature of Principal, personally or by authorized officer: Jim Cooper

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

P. O. Box 55
Monument, NM 88265-0055
Mailing Address

Wells Fargo Bank New Mexico, National Association

Randy Atwood
Signature of authorized officer of Financial Institution Randy Atwood

Assistant Vice President

Title

P. O. Box 1290
Hobbs, NM 88241-1290
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 LEA)

The foregoing instrument was acknowledged before me this 12th day of December, 2000, by Jim Cooper

officer or partner(s) of DD Landfarm
a corporation, a partnership on behalf of said corporation or partnership

My commission expires:

March 22, 2003
Date

Kathie A. Wiseman
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 LEA)

The foregoing instrument was acknowledged before me this 12th day of December, 2000, by Randy Atwood title Assistant Vice President on behalf of

Wells Fargo Bank New Mexico, National Association financial institution.

My commission expires:

March 22, 2003
Date

Kathie A. Wiseman
Notary Public