

RECEIVED G 8-1
Adopted 6-17-77
Revised 10-1-78

SEP 29 '87

O. C. D.
ARTESIA, OFFICE

STATE OF NEW MEXICO
ONE-WELL PLUGGING BOND

FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,
SANDOVAL, AND SAN JUAN COUNTIES ONLY

BOND NO. 793810
(For Use of Surety Company)
AMOUNT OF BOND 10,000.
COUNTY Eddy

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00*
For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$7,500.00*
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

* Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 7,999 feet. (See Rule 101)

File with Oil Conservation Division, P.O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That Steve Sell, 102 N. C St., Midland, TX 79701

~~(A corporation organized and existing under the laws of the State of Texas)~~, (An individual) ~~(A corporation organized and existing under the laws of the State of Texas)~~, with its principal office in the city of Midland, State of Texas, and authorized to do business in the State of New Mexico, as PRINCIPAL, and Millers Mutual Fire Insurance Company of Texas, a corporation organized and existing under the laws of the State of Texas, and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of New Mexico pursuant to Section 65-3-11, New Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Ten Thousand & 00/100 Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO2) gas leases, or helium gas leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO2) gas leases, or helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or may commence the drilling of one well not to exceed a depth of 10,530' feet, to prospect for and produce oil or gas, or carbon dioxide (CO2) gas or helium gas, or does own or may acquire, own or operate such well, or such well started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO2) leases, or helium gas leases, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the identification and location of said well being Eddy, GZ State Com Well #1, 1980' from S., 660' from E Section 12, Township 19S (Here state exact legal subdivision by 40-acre tract or lot) (North)(South), Range 27E (East)(West), N.M.P.M. Eddy County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Division of New Mexico in such way as to confine the oil, gas, and water in the strata in which they are found, and to prevent them from escaping into other strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

Steve Sell

PRINCIPAL
102 N. C. St., Midland, TX 79701

Address

By _____
Signature

Title

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

The Millers Mutual Fire Insurance Co. of Texas

SURETY

P. O. Box 2269, Ft. Worth, TX 76113-2269

By Linda Ruggenberg
Linda Ruggenberg Attorney-in-Fact

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF Texas
COUNTY OF _____) ss.

On this Steve Sell day of _____, 19____, before me personally appeared _____, to me known to be the person (persons) described in 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

My Commission expires _____

ACKNOWLEDGEMENT FORM FOR CORPORATION

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 in this certificate first above written.

Notary Public

My Commission expires _____

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF Texas
COUNTY OF Tarrant) ss.

On this 21st day of September, 1987, before me appeared Linda Ruggenberg, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of Millers Mutual Fire Insurance Company of Texas 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.