

GW - 014

**BONDS/FINANCIAL
ASSURANCE**

2009 - Present

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, January 13, 2010 12:07 PM
To: 'Moore, Darrell'
Cc: 'mleighton@lovington.org'; VonGonten, Glenn, EMNRD
Subject: Navajo Refining Company- Lovington Refinery (GW-014) Discharge Permit Financial Assurance (Surety Bond \$115,000)

Darrell:

Re: Post closure ground water monitoring period Financial Assurance

OCD is in receipt of the original or duplicate original Surety Bond for the above subject amount.

OCD will process it and if it is acceptable, the OCD will send you an approval letter with a copy to your financial institution supplying the bond. If there are any issues, we will contact you in the interim.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

RECEIVED Energy, Minerals and Natural Resources Department
Oil Conservation Division
Surety Bond For Waste Management Facilities
2010 JAN 13 PM 12:04 Conservation Division, 1220 S. Saint Francis, Santa Fe, New Mexico 87505)

BOND NO. 6676729
(For Surety Company Use)

KNOW ALL MEN BY THESE PRESENTS:

That Navajo Refining Company, L.L.C. (an individual, partnership, or a corporation organized in the State of Delaware, with its principal office in the City of Dallas, State of Texas, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Safeco Insurance Company of America a corporation organized and existing under the laws of the State of Washington 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 the Energy, Minerals and Natural Resources Department (the "Division") pursuant to NMSA 1978, Section 70-2-12 as amended, in the sum of One Hundred Fifteen Thousand Dollars and No/100 (\$ 115,000.00) Dollars for the payment of which PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally.

The conditions of this obligation are such that: Navajo Refining Company, L.L.C. is to maintain the performance bond until released by the Oil Conservation Division of the Energy, Minerals and Natural Resources Department.

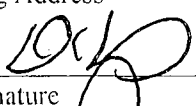
WHEREAS, the above PRINCIPAL has heretofore or may hereafter enter into the a 30 year post closure ground water monitoring program required by the Oil Conservation Division Discharge Permit Gw-014 in SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$ 115,000.00 performance bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission and the Division. Upon clean-up of the facility site to standards of the Division, the Division will release this bond; otherwise, the principal amount of the bond is to be forfeited to the State of New Mexico.

Signed and sealed this 31st day of December, 2009.

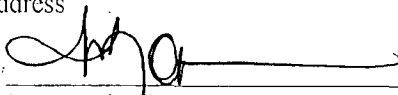
Navajo Refining Company, L.L.C.
PRINCIPAL

100 Crescent Court, #1600, Dallas, TX 75230
Mailing Address

By 
Signature Title
David L. Camp, Executive Vice President

Safeco Insurance Company of America
SURETY

1001 4th Avenue, #1700, Seattle, WA 98154
Mailing Address

By 
By Attorney-in-Fact Terri Morrison

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

Note: If corporate surety, affix corporate seal here.

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

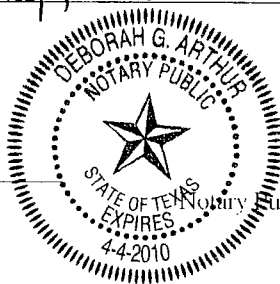
ACKNOWLEDGMENT FORM FOR A CORPORATION, INCORPORATED ASSOCIATION OR PARTNERSHIP

STATE OF Texas)
)SS.
COUNTY OF Dallas)

The foregoing instrument was acknowledged before me this 12th day of January, 2010, by
David L. Lamp as (title) Executive Vice President
of Navajo Refining Company, L.L.C., a corporation, incorporated
association, or partnership. limited liability
company

My commission expires:

4.4.2010
Date



Notary Public

Deborah G. Arthur



POWER
OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
1001 4th Avenue
Suite 1700
Seattle, WA 98154

No. 5713

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

*******AMY FOWLER; DON ALD R. GIBSON; MELISSA HADDICK; JACQUELINE KIRK; JOE MARTINEZ; TANNIS MATTSON; TERRI MORRISON; SANDRA PARKER; MARY PENA; ELIZABETH RHODES; GINA A. RODRIGUEZ;** Houston, Texas*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 21st day of March, 2009

Dexter R. Legg, Secretary

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 31st day of December, 2009



Dexter R. Legg, Secretary