

CMD : ONGARD 02/02/04 15:03:19
OG6CWBD CAPTURE SINGLE WELL BOND OGOI -TPGU

OGRID Identifier : 3693 API Well No : 30 25 4361
Operator Name, Address : CARBON ENERGY INC
520 N SHIPP
HOBBS,NM 88240

Bond Idn : 95984 Bond Status : A Prop Idn : 2439
Prop Name : AZTEC 28 STATE Well No : 003
U/L Sec Township Range North/South East/West Lot Idn

Surface Locn : M 28 20S 36E FTG 660 F S FTG 990 F W
API County : 25

Bond Details : Type (Cash/Surety - C/S) : S Bond Co Idn : 10 Amt : 5000
Company OGRID Identifier : 26095
Company Name, Address : HARTFORD ACCIDENT & INDEMNITY
HARTFORD PLAZA
HARTFORD,CT 06115

Effective Date : 01-01-1900 Cancellation Date : 12-31-9999
Issuer Bond No : 4397590

E0043: Record found; Authority denied to MODIFY/ADD

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 COMMENT PF10 NXTBOND PF11 PF12

Date: 2/2/2004 Time: 03:04:42 PM

Before the OCD
Case 13337
OCD Ex. 4

STATE OF NEW MEXICO
ONE-WELL PLUGGING BOND

Revised 6-17-77
JAN 18 1980
OIL CONSERVATION COMMISSION
SANTA FE

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

BOND NO. 4397590
(For Use of Surety Company)

AMOUNT OF BOND \$5,000.00

COUNTY Lea

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 10,500 feet.

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

KNOW ALL MEN BY THESE PRESENTS:

That CARBON ENERGY, INC., (An individual) ~~(a partnership)~~
(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, and HARTFORD ACCIDENT & INDEMNITY COMPANY, 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 SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of *Five thousand and no/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 4,250 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 660' from the South Line & 990' from the WES
Line, SW $\frac{1}{4}$ /SW $\frac{1}{4}$ Section 28, Township 20 (Here state exact legal subdivision by 40-acre tract or lot) ~~(XXXXX)~~ (South), Range 36 (East) ~~(XXXXX)~~ N.M.P.M.
Lea 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 Commission 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.

Before the OCD
Case 13337
OCD Ex. 6

6. I have researched the ONGARD records for production and injection information regarding well API # 30-025-04361 and well API #30-025-26637.

7. The last production shown in ONGARD for well API #30-025-04361 (Aztec 28 State #003) is for the month of June 1982.

8. The last production shown in ONGARD for well API #30-025-26637 (Shell State #001) is for the month of May 1989.

9. I researched the error files for reports on well API # 30-025-04361 and well API #30-025-26637, and found no record of any attempt to submit production or injection information for these wells in ONGARD.

THIS CONCLUDES MY AFFIDAVIT.



Jane Prouty

SUBSCRIBED AND SWORN before me this 26th day of August, 2004.


Notary Public

My Commission Expires:

4/2/07