



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

December 8, 1981

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Barnard Insurance Agency
P. O. Drawer 1769
Wichita Falls, Texas 76307

Attention: Nelda Thomson

Re: \$50,000 Blanket Plugging Bond
Weldon S. Guest and Adams Properties
dba Sage Oil Company, Principal
The Travelers Indemnity Company,
Surety
Bond No. 492F880A

Gentlemen:

The Oil Conservation Division hereby approves
the above-referenced blanket plugging bond effective
December 19, 1981.

Sincerely,

JOE D. RAMEY,
Director

dr/

cc: Oil Conservation Division
Hobbs, Artesia, Aztec

Sage Oil Company
425 Hamilton Building
Wichita Falls, Texas 76301

BARNARD INSURANCE AGENCY

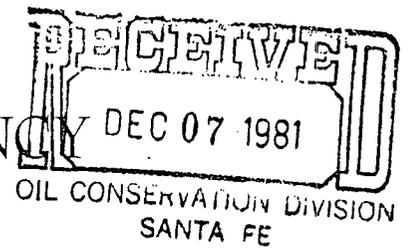
1100 EIGHTH STREET

P. O. DRAWER 1769

WICHITA FALLS, TEXAS 76307

817/723-0977

December 3, 1981



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

Re: Sage Oil Company
Blanket Plugging Bond
#492F880A - \$50,000

Gentlemen:

Enclosed is the above bond which replaces Bond No. 288-16-23 issued by the American Casualty Company of Reading, Pa. which you presently have on file for Sage Oil Company. The replacement bond is effective December 19, 1981.

We would appreciate your forwarding a release to American Casualty Company or to their agent, Boley-Featherston-Huffman & Deal Co., 703 Lamar, Wichita Falls, Tx. 76301.

If there are any questions regarding the replacement bond, please let us know.

Sincerely yours,

A handwritten signature in cursive script that reads "Nelda Thomson".

Nelda Thomson

enclosure

mf

COMPLETE INSURANCE SERVICE





RECEIVED
DEC 07 1981
Form OIA GB-B
Adopted 8-17-77

STATE OF NEW MEXICO

\$50,000.00 BLANKET PLUGGING BOND

BOND NO. 492F880A
(For Use of Surety Company)

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

KNOW ALL MEN BY THESE PRESENTS:

That Weldon S. Guest and Adams Properties dba Sage Oil Company (a partnership) ~~XXXXXX~~ organized in the State of Texas, with its principal office in the city of Wichita Falls, State of Texas, and authorized to do business in the State of New Mexico), as PRINCIPAL, and The Travelers Indemnity Company a corporation organized and existing under the laws of the State of Connecticut, 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 Fifty Thousand Dollars (\$50,000.00) 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:

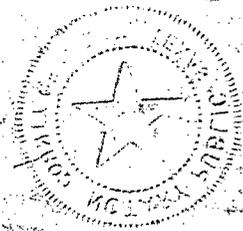
WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or may commence the drilling of wells 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 wells started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) gas 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 expressly waived by both principal and surety hereto.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall plug all of said wells 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.

PROVIDED, HOWEVER, That thirty (30) days after receipt by the Oil Conservation Commission of New Mexico of written notice of cancellation from the surety, the obligation of the surety hereunder shall terminate as to property or wells acquired, drilled, or started after said thirty (30) day period but shall continue in effect, notwithstanding said notice, as to property or wells theretofore acquired, drilled or started.



Weldon S. Guest and Adams Properties
dba Sage Oil Company

PRINCIPAL
425 Hamilton Building
Wichita Falls, TX 76301
Address

By [Signature]
Signature

Partner

Title

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

The Travelers Indemnity Company

SURETY
Two NorthPark East, P.O. Box 220055
Dallas, Texas 75222
Address

By [Signature]
Attorney-in-Fact

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF Texas
COUNTY OF Wichita ss.

On this 19th day of December, 19 81, before me personally appeared Weldon S. Guest 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.

[Signature]
Notary Public

My Commission expires 7-31-85

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 _____ 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 Wichita ss.

On this 19th day of December, 19 81, before me appeared Nelda Thomson to me personally known, who, being by me duly sworn, did say that she is Attorney-in-Fact of The Travelers Indemnity Company 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.

[Signature]
Notary Public

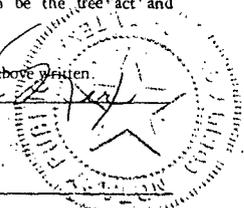
My Commission expires 6-20-85
(Note: Corporate surety attach power of attorney.)

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By [Signature]

Date _____



The Travelers Indemnity Company
Hartford, Connecticut

POWER OF ATTORNEY

DEC 07 1981
OIL CONSERVATION DIVISION
SANTA FE

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

J. M. Barnard, J. M. Barnard, Jr., Nelda Thomson, Bill Barnard,
all of Wichita Falls, Texas, EACH

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 14. The Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Corporate Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 16. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by the Corporate Secretary or any Department Secretary or any Assistant Corporate Secretary or any Assistant Department Secretary, or shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent, pursuant to and within the limits of the authority granted by his or her power of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS-INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

This power of attorney revokes that dated October 6, 1975 on behalf of J. M. Barnard, J. M. Barnard, Jr., Nelda Thomson

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 23rd day of April 19 81



THE TRAVELERS INDEMNITY COMPANY

By

[Signature]

Secretary, Surety

State of Connecticut, County of Hartford--ss:

On this 23rd day of April in the year 1981 before me personally came D. J. Nash to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



Gloria D. Seekins
Notary Public

My commission expires April 1, 1983