

Wm. Sunwest Bank
Roswell

They released bond back
to Sanders even
though clearly
marked "Do Not
Release w/o CEO
Approval"

~~Advised No~~
30108

Receipt

Cash Bond

30 015 2933

PRINCIPAL: SANDERS, OTIS H. 16635

SURETY: Sunwest 26349

BOND NO.: OCD-255 247532

TYPE: \$5,000 single well cash bond

APPROVED: November 6, 1990

CANCELLED:

WELL LOCATION: 1800' FNL and 1980' FWL of Sec. 7,
T-16-S, R-25-E, Eddy County

Unit F

(7)



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 19, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. Otis H. Sanders
P. O. Box 1778
Roswell, New Mexico 88202

Re: Single Well Cash Bond
for a well to be located
in Eddy County, New Mexico

Dear Mr. Sanders:

I am in receipt of the single well cash bond form for your well in Eddy County. Before I can approve this form, however, it will be necessary to fill out an "Assignment of Cash Collateral Deposit" form jointly with the Sunwest Bank of Roswell.

Just as soon as this form is returned, I will proceed with the approval of your bond.

Sincerely,

A handwritten signature in cursive script that reads "Diane Richardson".

DIANE RICHARDSON
Administrator
Bond Department



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

November 9, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

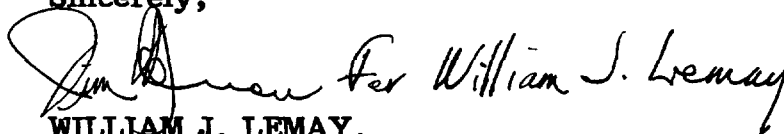
Mr. Otis H. Sanders
P. O. Box 1778
Roswell, New Mexico 88202

Re: \$5,000 Single Well Cash Bond
Otis H. Sanders, Operator
1800' FNL and 1980' FWL of
Sec. 7, T-16-S, R-25-E, Eddy County
Bond No. OCD-255

Dear Mr. Sanders:

The Oil Conservation Division hereby approves the above-referenced plugging bond effective November 6, 1990.

Sincerely,


WILLIAM J. LEMAY,
Director

dr/

cc: Oil Conservation Division
Artesia, New Mexico

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OCT 23 '90

OCD-255

'90 OCT 25 AM 9 46

O. C. D.
ARTESIA, OFFICE

SINGLE WELL CASH BOND

Know all men by these presents that **OTIS H SANDERS AN INDIVIDUAL**
(an individual) (a partnership) (a corporation organized
in the State of NEW MEXICO with its principal office at P.O. BOX 1778
in the city of ROSWELL, State of NEW MEXICO
and authorized to do business in the State of New Mexico) is held and firmly bound to
the Oil Conservation Division of the State of New Mexico (or its successor agency) in
the sum of \$5,000.00 (*FIVE THOUSAND AND NO/100*), lawful money of
the United States.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

The above applicant/operator desires to drill a well or purchase or operate an
existing well, the depth of which does not exceed 5,000.00 feet, to
prospect for and produce oil, gas, or carbon dioxide resources on land owned by
private individuals or the State of New Mexico, the particular identification and
footage location of said well being as follows: 1800 FFN, 1980 FNW
in Section 7, Township
16-S, Range 25-E, NMPM, KDDY County, New Mexico.

The applicant has deposited on behalf of the Division \$ 5,000.00, in the manner
indicated on the attachment to this bond being the principal sum intended to be
secured. Applicant pledges this sum as a guarantee that it, its executors, assigns,
heirs or administrators shall plug the well described above if dry, or when abandoned,
in accordance with the rules and orders of the Oil Conservation Division of the State
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 same from escaping to other strata. If the applicant
does not so properly plug and abandon said well upon order of the Division, the total
sum of the bond shall be forfeited to the Division, and such amount as is necessary
may be used to properly plug said well. If the principal sum of this bond is less
than the actual cost incurred by the Division in plugging said well, the applicant,
its successors, assigns, heirs or administrators shall be liable under the provisions
of Section 70-2-38 NMSA (1978) of the Oil and Gas Act, and the Division may take
action, including the filing of legal proceedings, to recover any amounts expended
over and above the principal sum of the bond.

NOW THEREFORE, if the above applicant or its successors, assigns, heirs, or
administrators or any of them shall plug the above-described well when dry or
abandoned, in accordance with the rules, regulations, and orders of the Division, in
such a manner as to confine the oil, gas, and water in the strata in which they
naturally occur, and to prevent them from escaping into other strata, and further to
clean up the surface location of said well, then therefore, this obligation shall be
null and void and the principal sum shall be paid to the applicant, or its successors
heirs, or administrator, otherwise it shall remain in full force and effect.

Otis H. Sanders
OPERATOR
P.O. Box 1778 Roswell, N.M.
Address 88202
By N/A
Signature
N/A
Title

SUNWEST BANK OF ROSWELL, N.A.
Nancy Montgomery
By Assistant Cashier

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

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On this 23rd day of October, 1990, before me personally appeared OTIS H. SANDERS, only 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.

OFFICIAL SEAL
Signature: Tobie Brown
TOBIE BROWN Notary Public
NOTARY PUBLIC - NEW MEXICO
NOTARY BOND FILED WITH STATE OF NEW MEXICO
My Commission Expires 12-8-91

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.

My Commission expires

Notary Public

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO
By [Signature] for William J. Lee
Date 11-9-90

Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval, and San Juan Counties, New Mexico:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 5,000
5,000 feet to 10,000 feet	\$ 7,500
More than 10,000 feet	\$10,000

All Other Counties in the State:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 7,500
5,000 feet to 10,000 feet	\$10,000
More than 10,000 feet	\$12,500

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'90 NOV 6 AM 8 46

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

(Must be a federally-insured bank or savings institution
authorized to do business in New Mexico)

Date November 2, 1990

Pursuant to Section 70-2-14, NMSA (1978), or successor provisions, Otis H. Sanders (hereinafter referred to as "operator") of P.O. Box 1778, Roswell, N.M. (address) has deposited with the Sunwest Bank (name of state or national bank or savings association) of P.O. Box 1858, Roswell, N.M. 88201 (address) (herein termed financial institution), the sum of Five thousand dollars in Certificate of Deposit or savings account No. N/A. Operator hereby assigns and conveys all right, title and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy and Minerals Department or successor agency of the State of New Mexico. Operator and the financial institution agree that as to the deposited sum or fund:

- a. The Oil Conservation Division acquires by this assignment the entire beneficial interest in the fund, with the right to order the trustee in writing to distribute the fund to persons determined by the division to be entitled thereto, including the Division itself, in amounts determined by the Division, or to the operator upon sale or proper plugging of the well covered by this bond.
- b. Operator 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.
- c. The financial institution agrees that the fund 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 fund.

Operator agrees that the financial institution may deduct from interest due operator any attorney fees incurred by the financial institution if claim or demand via writ, summons or other process arising from operator's business is made upon the financial institution.

Otis H. Sanders
Signature of Operator,
Personally or by Authorized Officer

SUNWEST BANK OF ROSWELL, N.A.
[Signature]
Signature of Authorized Officer of
Financial Institution

Owner/Operator
Title

ASSISTANT VICE PRESIDENT
Title

STATE OF NEW MEXICO) ss.
COUNTY OF Eddy

On this 2nd day of November, 1990, before me personally appeared Otis H. Sanders and _____, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that the (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:
June 18, 1994

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SUNWEST BANK OF ROSWELL, N.A.
CERTIFICATE OF DEPOSIT CUSTODY RECEIPT

Matures 10-23-93

Nº 7126

Received of OTIS H SANDERS PO BOX 1778 ROSWELL, NM 88202

Roswell, N.M. 10-23

Date 19 90

C.D.# 01030108

\$ 5,000.00

% 8.15

Address

Terms 36 MO

Disposition: CD IS ON HOLD WITH THE STATE OF NEW MEXICO DO NOT RELEASE UNTIL WE RECEIVE NOTICE FROM THE STATE OF NEW MEXICO.

Customer Signature *Otis H. Sanders*
Phone 622-0954

SunWest Bank of Roswell, N.A.
By: DINA MOORE
P.O. BOX 1858
ROSWELL, NEW MEXICO 88201

SUNWEST BANK OF ROSWELL, N.A.

Matures 10-23-93

CERTIFICATE OF DEPOSIT CUSTODY RECEIPT

Nº 7126

Roswell, N.M., 10-23

Date 19 90

Received of OTIS H SANDERS PO BOX 1778 ROSWELL, NM 88202

Names

Address

C.D.# 01030108

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Customer Signature *Otis H. Sanders*
Phone 622-0954

SunWest Bank of Roswell, N.A.
By: DINA MOORE
P.O. BOX 1858
ROSWELL, NEW MEXICO 88201

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APR 23, 1990

CERTIFIES THAT *****OTIS H SANDERS*****

AS DEPOSITOR HAS DEPOSITED WITH

HIS BANK *****FIVE THOUSAND AND NO/100*****

DOLLARS \$***5,000.00*** AMOUNT

The funds represented by this certificate are for the benefit of natural person(s) and are therefore nontransferable except on the books of this Bank.

INTEREST MO. CK 039 184 0 MAT. 10-23-93

Payable to said depositor, or his order, upon presentation and surrender of this certificate properly endorsed 36 months after date, with interest thereon at the rate of 8.15% per annum from date, interest payable at the expiration of said time. This certificate shall be automatically renewed at maturity for successive periods, subject to the same terms and conditions unless presented for payment by the depositor within 10 days after the original or any subsequent maturity date. Sunwest Bank, however, reserve the right not to renew this certificate at the original or any subsequent maturity date upon mailing to the depositor hereof at the above address a written notice of its election not to renew this certificate. The bank is prohibited from paying this deposit in whole or in part prior to its maturity, except as provided by law.

SPECIFIED TERM

Payable to said depositor in current funds upon return of the Certificate properly endorsed on or after _____ with interest at the rate of _____ % per annum for the time specified. No interest paid after maturity. The bank is prohibited from paying this deposit in whole or in part prior to its maturity, except as provided by law.

- 90 ERNP
- 91 ERWP
- 92 NR

PRINCIPAL	INTEREST	TOTAL	DATE

Dina Moore

AUTHORIZED SIGNATURE

⑈00030108⑈ ⑆5007⑈0012⑆

10-002 (Rev. 6-)

SUNWEST BANK OF ROSWELL, N.A. Matures 10-23-93

CERTIFICATE OF DEPOSIT CUSTODY RECEIPT N^o **7126**

Roswell, N.M., 10-23 19 90

Date

Received of OTIS H SANDERS PO BOX 1778 ROSWELL, NM 88202

C.D.# 01030108 \$ 5,000.00 % 8.15 Terms 36 MO

Disposition: CD IS ON HOLD WITH THE STATE OF NEW MEXICO DO NOT RELEASE UNTIL WE RECEIVE NOTICE FROM THE STATE OF NEW MEXICO.

Customer Signature *Otis H. Sanders*

Phone 622-0954

SunWest Bank of Roswell, N.A.

BY: DINA MOORE

P.O. BOX 1858
ROSWELL, NEW MEXICO 88201

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