

**NM**

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**34**

**BONDS**



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

September 27, 1994



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

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

Reliance Surety Company  
One Denver Highlands  
10375 E. Harvard Avenue  
Suite 400  
Denver, Co. 80231

Attention: Marsha Crawford

Re: \$25,000 Treating Plant Bond  
Laguna Gatuna, Inc., Principal  
Reliance Insurance Co., Surety  
Bond No. B 61 51 09

Dear Ms. Crawford:

I am in receipt of your request for cancellation of the above-captioned treating plant bond. I have checked with our Environmental Department and they have advised me that while the treating plant itself is closed, they are in the process of cleaning the site. This bond cannot be released until the clean-up satisfies the Environmental Bureau.

If you would like more information regarding this clean-up, please contact Roger Anderson at (505) 827-5812.

Sincerely,

A handwritten signature in cursive script, reading "Diane Richardson".

DIANE RICHARDSON  
Administrator  
Bond Department

cc: Laguna Gatuna Inc.  
P. O. Box 2158  
Hobbs, New Mexico 88241-2158



ALCOHOL  
65

ADVISORY  
65

Law Office of  
**J. W. NEAL, P.C.**

1940C

11 17 8 32

419 W. Cain • P.O. Box 278  
Hobbs, New Mexico 88241-0278  
Telephone 505-397-3614  
Fax 505-393-7405

October 6, 1994

*day will  
call Neal  
Mr. Neal  
10-11-94  
still cannot  
release*

Energy, Minerals and Natural Resources Department  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Attention: Ms. Diane Richardson

Re: \$25,000 Treating Plant Bond  
Laguna Gatuna, Inc., Principal  
Reliance Insurance Co., Surety  
Bond No. B 61 51 09

Gentlemen:

Your letter of September 27, 1994 has been handed to me for answer.

Please be advised that the treating plant is closed as stated in your letter. I do not understand your statement that the bond cannot be released until the clean up is satisfied by the Environmental Bureau. The company has completely complied with every request made by the Bureau as to clean up through Mr. Anderson and all requests have been completed. We request that you contact Mr. Anderson in order that he can advise you to release this bond.

We have gone to great expense in complying with the Department's request. The continuance of this bond also involves expense and we would appreciate your immediately releasing same.

Very truly yours

J. W. Neal

JWN/b

cc: Mr. Roger Anderson  
cc: Laguna Gatuna, Inc.



**Reliance**

**RELIANCE SURETY COMPANY**  
Philadelphia, Pennsylvania

**RELIANCE INSURANCE COMPANY**  
Philadelphia, Pennsylvania

**UNITED PACIFIC INSURANCE COMPANY**  
Philadelphia, Pennsylvania

**RELIANCE NATIONAL INDEMNITY COMPANY**  
Philadelphia, Pennsylvania

RECEIVED

**CANCELLATION NOTICE** CERTIFIED MAIL RETURN RECEIPT

RECEIVED

1994 SEP 14 AM 8 50

TO: Obligor/ Address: State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
P. O. Box 2088  
State Land Office Bldg  
Santa Fe, New Mexico 87504

RE: Principal/ Address: Laguna Gatuna, Inc.  
P. O. Box 2158  
Hobbs, New Mexico 88241-2158

Bond No.: B61 51 09

Bond Type: Treating Plant Bond-New Mexico

Effective Date: January 26, 1988

You are hereby notified the captioned bond is cancelled in accordance with the cancellation provisions contained therein or in applicable laws or regulations. This Notice is mailed to you on

September 6, 1994 and is to be effective on or about

November 10, 1994 or if such effective date does not provide for a sufficient number of days notice, as required, then upon the earliest date permitted. The issuance of this Cancellation Notice shall not, however, extend the effective date of cancellation if such bond has been cancelled upon an earlier date under the provisions of said bond.

Reliance Insurance COMPANY shall not be responsible thereunder for any acts or defaults committed or loss occurring after the effective date of cancellation, nor for any losses not discovered in accordance with the provisions of such bond.

BY: Surety: Reliance Insurance COMPANY

Marsha Crawford  
Marsha Crawford

Attorney-in-Fact

**CANCELLATION ACKNOWLEDGMENT (Please sign duplicate of this Notice and return to Surety)**

obligee signature here

By:

Date:



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

October 25, 1988

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

Laguna Gatuna, Inc.  
P. O. Box 840  
Hobbs, New Mexico 88240

Re: \$25,000 Treating Plant Bond  
Pollution Control, Inc., Principal  
Reliance Insurance Co., Surety  
Bond No. B 61 51 09

Gentlemen:

The Oil Conservation Division hereby approves the rider to the above-referenced treating plant bond changing the name of principal as follows:

LAGUNA GATUNA, INC.

Please commence filing your C-118 reports under this name.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. Lemay", written over a horizontal line.

WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Hobbs, New Mexico



# RELIANCE INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the RELIANCE INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint Marsha Crawford of Denver, Colorado

its true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of Suretyship,

and to bind the RELIANCE INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the RELIANCE INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of RELIANCE INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

### ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorneys-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney-in-Fact at any time and revoke the power and authority given to him.

2. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorneys-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This power of attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of RELIANCE INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved, that the signatures of such directors and officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the RELIANCE INSURANCE COMPANY has caused these presents to be signed by its Vice President, and its corporate seal to be hereto affixed, this 16th day of November 1983.



RELIANCE INSURANCE COMPANY

*[Signature]*  
Vice President

STATE OF Pennsylvania  
COUNTY OF Philadelphia } ss.

On this 16th day of November, 1983, personally appeared Raymond MacNeil

to me known to be the Vice-President of the RELIANCE INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company and the Resolution, set forth therein, are still in full force.

My Commission Expires:

May 24, 1986



*[Signature]*  
Notary Public in and for State of Pennsylvania  
Residing at Philadelphia

I, James F. Marckstein, Assistant Secretary of the RELIANCE INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said RELIANCE INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 11 day of October 1984.



*[Signature]*  
Assistant Secretary



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

GARREY CARRUTHERS  
GOVERNOR

February 16, 1988

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

Pollution Control, Inc.  
P. O. Box 840  
Hobbs, New Mexico

Re: \$25,000 Treating Plant Bond  
Pollution Control, Inc., Principal  
Reliance Insurance Co., Surety  
Bond No. B 61 51 09

Gentlemen:

The Oil Conservation Division hereby acknowledges receipt  
of and approves the rider to the above-referenced  
treating plant bond giving the exact location as follows:

Section 18, Township 20 South, Range 33 East,  
Lea County.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Hobbs, New Mexico





STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

January 13, 1988

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

Pollution Control, Inc.  
P. O. Box 1060  
Lovington, New Mexico 88260

Re: \$10,000 Treating Plant Bond  
Pollution Control, Inc., Principal  
Reliance Insurance Company, Surety  
Bond No. B517863

Gentlemen:

In checking our records, I note that you have a \$10,000 Treating Plant Bond on file in this office. I am enclosing a copy of our Order No. R-8284 which states that all treating plant bonds must be replaced with \$25,000 bonds by January 1, 1988. To date, we have not received your replacement bond.

Since this is a violation of the Oil Conservation Division Rules and Regulations, we would appreciate your taking care of this matter immediately. Please advise me no later than January 28th as to when I may expect to receive your replacement bond.

Thank you.

Sincerely,

DIANA RICHARDSON  
Administrator  
Bonding Department

enclosure

cc: OCD - Hobbs



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

January 5, 1988

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

Pollution Control, Inc.  
P. O. Box 840  
Hobbs, New Mexico 88240

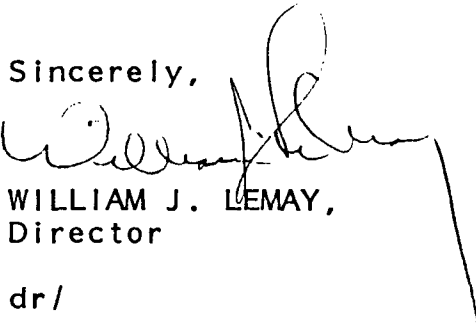
Re: \$25,000 Treating Plant Bond  
Pollution Control, Inc., Principal  
Reliance Insurance Company, Surety  
Bond No. B 61 51 09

Gentlemen:

The Oil Conservation Division hereby approves the above-referenced treating plant bond effective February 4, 1988.

Please have your insurance company issue a rider to this bond giving us the exact location of the treating plant (section, township, range and county).

Sincerely,

  
WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Hobbs, New Mexico

NEW MEXICO OIL CONSERVATION DIVISION  
OF THE ENERGY & MINERALS DEPARTMENT

\$25,000.00 TREATING PLANT BOND

BOND NO. B61 51 09  
(For Use of Surety Company)

File with Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504

KNOW ALL MEN BY THESE PRESENTS:

That Pollution Control, Inc., (~~an~~//~~individual~~)  
~~(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 Reliance Insurance Company, a corporation  
organized and existing under the laws of the State of Pennsylvania,  
and authorized to do business in the State of New Mexico with duly-appointed resident  
agent licensed in the State of New Mexico to execute this bond on behalf of the  
surety company, 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  
Department pursuant to Chapter 72, Laws of New Mexico, 1935, as amended, and to the  
State of New Mexico in the sum of Twenty Five Thousand (\$25,000.00) 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 the  
process of treating and reclaiming sediment oil in Section \_\_\_\_\_, Township \_\_\_\_\_  
(North) (South), Range \_\_\_\_\_ (East) (West), N.M.P.M., \_\_\_\_\_ County, New  
Mexico.

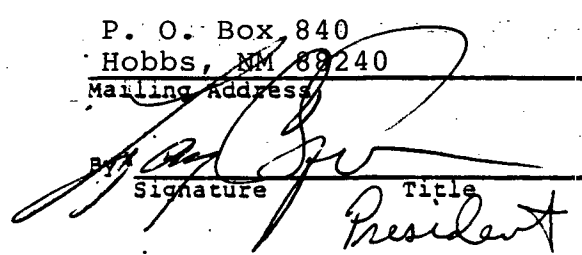
NOW, THEREFORE, This \$25,000 performance bond is conditioned upon substantial  
compliance with all applicable statutes of the State of New Mexico and all rules,  
regulations, and orders of the Oil Conservation Division of the Energy and Minerals  
Department, and upon clean-up of the plant site to standards of the Oil Conservation  
Division; otherwise the principal amount of the bond to be forfeited to the State of  
New Mexico.

PROVIDED, HOWEVER, That sixty (60) days after receipt by the Oil Conservation  
Division of written notice of cancellation from the Surety, the obligation of the  
Surety shall terminate as to activities or operations conducted by PRINCIPAL after  
said sixty (60) day period but shall continue in effect, notwithstanding said notice,  
as to such activities or operations conducted or commenced before the expiration of  
the sixty day period.

Signed and sealed this 26th day of January, 19 88.

Pollution Control, Inc.  
PRINCIPAL

P. O. Box 840  
Hobbs, NM 88240  
Mailing Address

By   
Signature

Title

President

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

Reliance Insurance Company  
SURETY

3033 S. Parker Road, Suite 400  
Aurora, CO 80014  
Mailing Address

By James M. Kade  
Attorney-in-Fact James M. Kade

(Note: Corporate surety affix corporate  
seal here.)

EXHIBIT A  
CASE NO. 8909  
ORDER NO. R-8284

(By acceptance of this bond B615109  
dated Jan. 26, 1988 Bond No. B517863  
dated Aug 26, 1983 is cancelled.)

# RELIANCE INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the RELIANCE INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint **James M. Kade of Denver, Colorado**

its true and lawful Attorney-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of Suretyship,

and to bind the RELIANCE INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the RELIANCE INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of RELIANCE INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

### ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

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2. Attorneys-in-Fact shall have power and authority, subject to the terms and limitations of the power of attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorneys-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This power of attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of RELIANCE INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved, that the signatures of such directors and officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the RELIANCE INSURANCE COMPANY has caused these presents to be signed by its Vice President, and its corporate seal to be hereto affixed, this 30th day of April 1985.



RELIANCE INSURANCE COMPANY

*Raymond MacNeil*  
Vice President

STATE OF Pennsylvania } ss.  
COUNTY OF Philadelphia  
On this 30th day of April, 1985, personally appeared Raymond MacNeil

to me known to be the Vice-President of the RELIANCE INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company and the Resolution, set forth therein, are still in full force.

My Commission Expires:

September 28, 1987



*James M. Kade*  
Notary Public in and for State of Pennsylvania  
Residing at Philadelphia

I, J. A. Daily, Assistant Secretary of the RELIANCE INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said RELIANCE INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 26th day of January 1988



*J. A. Daily*  
Assistant Secretary

ADDEMDUM

Pollution Control, Inc., Principal

Reliance Insurance Company

Bond No. B61 51 09

Whereas, The principal has heretofore or may hereafter enter into the process of treating and reclaiming sediment oil in Section 18, Township 20 S, Range 33E, N.M.P.M., Lea County, New Mexico.

RECEIVED  
FEB 16 1988

Reliance Insurance Company

David H. Stanford