



LIBERTY OIL AND GAS CORPORATION

MAY 11 1982

P. O. Drawer 430 • Livonia, Louisiana 70755 • (504) 637-2381

May 5, 1982

RECEIVED

MAY 20 1982

Mr. Joe D. Ramey, Director
Energy & Minerals Department
Oil Conservation Division
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

O. C. D.
ARTESIA, OFFICE

Re: \$5,000 One-Well Plugging Bond
Liberty Oil & Gas Corporation, Principal
Hartford Accident & Indemnity Co., Surety
Section 28, T16S-R17E
Chaves County, New Mexico
Bond No. 4447173

Dear Mr. Ramey:

Enclosed herewith you will please find a certified copy of a Damage Release which has been executed by the surface owners of the lands upon which Liberty Oil and Gas Corporation was to have drilled a well in Section 28 of Township 16 South, Range 17 East, in Chaves County, New Mexico, which well was to have been located some 1,650 feet South of the North Section Line of said Section and 990 feet East of the West Section Line of said Section.

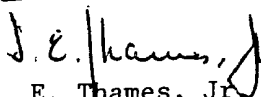
That Damage Release indicates that the location of that well has now been returned to normal, and the landowners have released Liberty Oil and Gas Corporation from all and any damages related thereto.

In light of that fact, our surety has requested a release of the captioned bond and, therefore, Liberty Oil and Gas Corporation is therefore making request for the release of that bond, and some written confirmation from your department indicating that release, in order to satisfy the requirements of our surety.

Should further action or information of any nature be required in order to obtain this release, please advise at once so that we might complete this matter as expeditiously as possible.

Your prompt attention to this matter is very much appreciated.

Sincerely yours,


S. E. Thames, Jr.
Staff Attorney

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O. C. D.
ARTESIA, OFFICE

STATE OF NEW MEXICO
COUNTY OF CHAVES

DAMAGE RELEASE

WHEREAS, LIBERTY OIL AND GAS CORPORATION, a Louisiana business corporation domiciled in the Parish of Pointe Coupee, State of Louisiana authorized to do business in the State of New Mexico, and whose mailing address is Post Office Drawer 430, Livonia, Louisiana, 70755, said corporation being hereinafter referred to as "Operator", was to have drilled a well in Section 28 of Township 16 South, Range 17 East, in Chaves County, New Mexico, which well was to have been located some 1,650 feet South of the North Section Line of said Section and 990 feet East of the West Section Line of said Section; and

WHEREAS, Operator did prepare the location for and begin operations with respect to the drilling of said well, but did not actually drill said well; and

WHEREAS, in the preparation of the location for the drilling of said well, certain damages were sustained in and upon the lands described hereinabove as being affected by the preparation of such location; and

WHEREAS, the undersigned TOM WOODS RUNYAN and THOMAS EDSIL RUNYAN, JR., are the owners of the surface rights in and to the above described property, said property being hereinafter referred to as the "Subject Property", and affected by the following described lease;

Oil, Gas and Mineral Lease granted by Tom W. Runyan, et al, as Lessors, to and in favor of John P. Bates, as Lessee, of date February 1, 1978, said lease having been recorded at Page 965 of Book 171 of the Records of Chaves County, New Mexico;

WHEREAS, it is the desire and intent of the undersigned to release all claims against Operator for damages arising out of the said operations on the Subject Property;

NOW, THEREFORE, in light of the foregoing and in consideration of the sum of ONE THOUSAND FIVE HUNDRED AND NO/100 (\$1,500.00) DOLLARS, cash paid in hand, as well as other good and valuable consideration, the receipt, seriousness and sufficiency of which is hereby acknowledged, the undersigned do hereby and herewith release, relinquish and surrender all and any claims they have or may have against and upon Operator arising from and out of that loss and those damages incurred and occasioned in and upon the Subject Property, and the fruits thereof, as a result of the preparation of the location for, construction of means of access to, and operations preliminary to the drilling of the above described well which was never spudded, and all operations of any nature or variety whatsoever attendant or appurtenant thereto.

For the same listed consideration, the undersigned do hereby and herewith agree to hold harmless Liberty from and against any and all claims of whatsoever nature arising out of or incident to those losses, damages and operations described above.

This document may be executed in any number of counterparts, each of which shall be deemed an original hereof, and which may or may not be combined by signature block and acknowledgment into one document, and each of which shall be of equal force and effect. This document likewise shall be binding on the parties signing same, whether all parties sign or not.

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O. O. O.
ARTESIA OFFICE

THUS DONE AND SAID, in witness whereof, this ____ day of

_____, 1982, in the County of Chaves, State of New Mexico.

WITNESSES:

Edil H. Bell

James M. Windham

Edil H. Bell

James M. Windham

Tom Woods Runyan
TOM WOODS RUNYAN

Thomas Edsil Runyan, Jr.
THOMAS EDSIL RUNYAN, JR.

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O. C. D.
ARTESIA, OFFICE

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O. C. D.
ARTESIA. OFFICE

STATE OF NEW MEXICO

COUNTY OF CHAVES

BEFORE ME, the undersigned authority, on this date personally came and appeared TOM WOODS RUNYAN, known to me to be the person whose signature is affixed to the above and foregoing document, who did under oath acknowledge that he executed that written instrument, as his free act and deed for the purposes and consideration therein expressed.

SWORN TO AND SUBSCRIBED before me, this 10th day of

April, 1982, in the County and State aforesaid.

John B. Barden
NOTARY PUBLIC

My commission expires

July 3 1985

STATE OF NEW MEXICO

COUNTY OF CHAVES

BEFORE ME, the undersigned authority, on this date personally came and appeared THOMAS EDSIL RUNYAN, JR., known to me the person whose signature is affixed to the above and foregoing instrument, who did under oath acknowledge that he executed that written instrument as his free act and deed for the purposes and consideration therein expressed.

SWORN TO AND SUBSCRIBED before me, this 10th day of

April, 1982, in the County and State aforesaid.

John B. Barden
NOTARY PUBLIC

My commission expires

July 3 1985