

STATE OF NEW MEXICO
ONE-WELL PLUGGING BOND

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

BOND NO. 955 E 8849
(For Use of Surety Company)
AMOUNT OF BOND \$7,500.00
COUNTY Sandoval

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 7,999 feet. See Rule 101.

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



KNOW ALL MEN BY THESE PRESENTS:

That NANCO, INC., (~~XXXXXXXXXXXXXXXXXX~~)
(a corporation organized in the State of _____, with its principal office in the city of
Tulsa, State of Oklahoma, 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 Hartford, 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 SEVEN THOUSAND FIVE HUNDRED (\$7,500.00)
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 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 10,000 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 _____

(Here state exact legal subdivision by 40-acre tract or lot)

Section 26, Township 21N (North) (~~XXX~~), Range 1 (~~XXX~~) (West), N.M.P.M.
Sandoval 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.

NANCO, INC.

PRINCIPAL

Philtower Building, Tulsa, OK 74103

Address

By

Signature

Title

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

THE TRAVELERS INDEMNITY COMPANY

SURETY

3035 NW 63rd Street
Oklahoma City, Oklahoma 73187

Address

By

Judith A. Curtis, Attorney-in-Fact

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF _____)
COUNTY OF _____) ss.

On this _____ day of _____, 19____, before me personally appeared _____, 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.

Notary Public

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.

Notary Public

My Commission expires _____

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF Oklahoma)
COUNTY OF Tulsa) ss.

On this 11th day of February, 1981, before me appeared Judith A. Curtis, to me personally known, who, being by me duly sworn, did say that he 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.

Notary Public

11/5/84

My Commission expires _____