

Dorothy
I need
API #

OLD-598

Form O & G RCN
Adopted 6-1-86

CONSERVATION DIVISION SINGLE WELL CASH BOND

30 039 23277

Interested in
Ongard so
I can put
this bond
on system.

Thanks,
Dorothy

C-23-28N-1E
Chuzo-
El Paso Ranch
#4

Know all men by these presents that Chuzo Operating
(an individual) (a partnership) (a corporation organized
in the State of Texas with its principal office at 3300 N. A St.,
Bldg. 2, #218 in the city of Midland, State of Texas
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), 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 4999 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: 935 Feet from the North Line
and 1650 Feet from the West Line in Section 23, Township
28-N, Range 1-E, WPM, Rio Arriba County, New Mexico.

The applicant has deposited on behalf of the Division \$ 5,000, 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.

Chuzo Operating

Operator-

P.O. Box 51010, Midland, TX 79701

Address

By

James H. Chandler

Signature

Principal

Title

By

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

RECEIVED
JAN 17 1987
OIL CON. DIV.
DIST. 8

6-21-93