

KNOW ALL MEN BY THESE PRESENTS: That we SAN JUAN PETROLEUM CORPORATION of the County of San Juan and State of New Mexico, as principal and NATIONAL SURETY COMPANY of the County of New York, in the State of New York, as surety, are held and firmly bound unto the State of New Mexico, in the sum of One Thousand Dollars (\$1,000.00), lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, successors or assigns, firmly by these presents.

DATED this 6th day of January, A. D. 1927.

THE CONDITION OF THE FOREGOING OBLIGATION IS THAT:

WHEREAS, the above bounden principal will shortly commence and prosecute the drilling of a well to prospect for oil and gas to be known as the Palmer Well No. 1, on the following described state (or patented) land: To wit, E $\frac{1}{2}$ SW $\frac{1}{2}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 7; SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ and East 30 acres SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 8; S $\frac{1}{2}$ SW $\frac{1}{4}$, Except 6 acres on East line, Section 9; E $\frac{1}{2}$ of E $\frac{1}{2}$, NW $\frac{1}{4}$ Section 18; NE $\frac{1}{4}$ except 10 acres (SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$) Section 18; N $\frac{1}{2}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ Section 17; SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 16; NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 20; NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 21; all in Township 29 North Range 13 West N. M. P. M., which is leased by San Juan Petroleum Corporation Lease No. _____ Assignment No. _____.

NOW, THEREFORE, if the above principal shall comply with all the laws, rules and regulations of the State of New Mexico and the State Geologist dealing with oil and gas up to and including the final plugging and abandonment of the well, then the above obligation is to be void and of no effect; otherwise it shall remain in full force and effect.

THIS BOND shall continue for one year from the effective date hereof, but may be renewed from year to year upon written notice thereof to said Obligee from said surety.

SAN JUAN PETROLEUM CORPORATION

5 By: C. Michener
President.

ATTEST

By: Edgar M. Gibley
Vice-President.

Countersigned by:

NATIONAL SURETY COMPANY

E. P. Meador
San Antonio, Texas

James H. Ryan
San Antonio, Texas

Subscribed and sworn to before me this 6th day of January, A. D. 1927.