



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

April 30, 1999

Mr. Ronald L. Rutherford,  
Vice President  
Twining Drilling Corporation  
11515 Glendale Avenue  
Albuquerque, NM 87122

Re: \$10,000 Single Well Cash Bond  
Twining Drilling Corporation, Principal  
Bank of America, Depository  
850' FNL and 750' FWL of Section 28,  
Township 4 North, Range 1 East  
Bond No. OCD-656

Dear Mr. Rutherford:

The New Mexico Oil Conservation Division hereby approves the above-captioned single well cash bond.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand Carroll".

RAND CARROLL,  
Legal Counsel

RC/dp

cc: Oil Conservation Division – Santa Fe



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OIL CONSERVATION DIVISION  
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April 26, 1999

Mr. Ron Rutherford  
Twining Drilling Corporation  
11515 Glendale Avenue, N.E.  
Albuquerque, NM 87122

Re: \$10,000 Single Well Cash Bond  
Twining Drilling Corporation, Principal  
990' FSL and 990' FWL of Section 33,  
Township 5 North, Range 1 East  
Valencia County  
Bond No. OCD 624

Dear Mr. Rutherford:

The New Mexico Oil Conservation Division hereby approves the cancellation of the  
above-referenced single well cash bond.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rand Carroll".

Rand Carroll,  
Legal Counsel

RC/dp

cc: Oil Conservation Division - Santa Fe

Form O & G SCB  
Adopted 6-1-86

## SINGLE WELL CASH BOND

Know all men by these presents that **TWINING DRILLING CORPORATION**(an individual) (a partnership) (a corporation) organized in the State of  
**AVE**  
**NEW MEXICO** with its principal office at **11515 GLENDALE** in the city of**ALBUQUERQUE**, State of **NEW MEXICO** 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 **\$TEN THOUSAND (\$10,000.00)**  
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 **10,000.00** 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:

(Well name and footage) **NET#2 850' FROM THE NORTH LINE AND 750'**  
**FROM THE WEST LINE NW1/4**  
Section **28** Township **4N** Range **1E**, NMPM, **SOCORRO**  
County, New Mexico.

The applicant has deposited on behalf of the Division **\$10,000.00** 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.

**TWINING DRILLING CORPORATION**

Operator

**11515 GLENDALE AVE NE ALBUQUERQUE NM 87122**

Address

City

State

Zip

By

By

Signature

**VICE-PRESIDENT****ASST. VICE-PRESIDENT**

TITLE

**BANK OF AMERICA**

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



## ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF \_\_\_\_\_

ss.

COUNTY OF \_\_\_\_\_

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

## ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF NEW MEXICO

ss.

COUNTY OF BERNALILLO

On this 26TH day of APRIL, 1999, before me personally appeared RONALD L. RUTHERFORD, to me personally known who, being by me duly sworn, did say that he is VICE-PRESIDENT of TWINING DRILLING CORP. 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



**OFFICIAL SEAL**  
**SANDRA GUTHRIE**  
NOTARY PUBLIC - STATE OF NEW MEXICO  
Notary Public Filed with Secretary of State  
My Commission Expires 2-24-2003

\_\_\_\_\_  
Notary Public

APPROVED BY:

Oil Conservation Division of New Mexico

By \_\_\_\_\_

Date \_\_\_\_\_

Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval, and San Juan Counties, New Mexico:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 5,000
5,000 feet to 10,000 feet	\$ 7,500
More than 10,000 feet	\$10,000

All Other Counties in the State:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 7,500
5,000 feet to 10,000 feet	\$10,000
More than 10,000 feet	\$12,500

Form O & G OCD  
Adopted 6-1-86

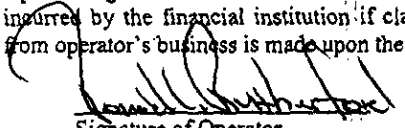
## Assignment of Cash Collateral Deposit

(Must be a federally-insured bank or savings institution  
within the State of New Mexico)Date APRIL 26, 1999

Pursuant to Section 70-2-14, NMSA (1978), or successor provisions, TWINING DRILLING CORPORATION (hereinafter referred to as "operator") of 11515 GLENDALE AVE NE ALBUQ, NM (address) has deposited with the BANK OF AMERICA (name of state or national bank or savings association) of 303 ROMA NW, 5TH FL ALBUQ., NM 87102 (address) (herein termed financial institution), the sum of (TEN THOUSAND) (\$10,000.00) dollars in Certificate of Deposit or savings Account NO. 22001244182858. Operator hereby assigns and conveys all right, title, and interest in the deposited sum to the financial institution in trust for the Oil Conservation Division of the Energy and Minerals Department or successor agency of the State of New Mexico. Operator and the financial institution agree that as to the deposited sum or fund:

- The Oil Conservation Division acquires by this assignment the entire beneficial interest in the fund, with the right to order the trustee in writing to distribute the fund to persons determined by the division to be entitled thereto, including the Division itself, in amounts determined by the Division, or to the operator upon sale or proper plugging of the well covered by this bond.
- Operator retains no legal or beneficial interest in the fund and has only the right to interest, if any, thereon, and to return of the fund upon written order of the Division.
- The financial institution agrees that the fund may not be assigned, transferred, pledged or distributed except upon written order of the Division or a court of competent jurisdiction made in a proceeding in which the Division is a party. The financial institution waives all statutory or common law liens or rights of set-off against the fund.

Operator agrees that the financial institution may deduct from interest due operator any attorney fees incurred by the financial institution if claim or demand via writ, summons or other process arising from operator's business is made upon the financial institution.

  
Signature of Operator  
Personally or by Authorized Officer

  
Signature of Authorized Officer  
of Financial Institution

VICE-PRESIDENT  
Title

ASST. VICE-PRESIDENT  
Title

State of New Mexico  
County of BERNALILLO

On this 26TH day of APRIL, 1999, before me personally appeared RONALD L RUTHERFORD and BARBARA MOLINA, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that they executed the same as 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.

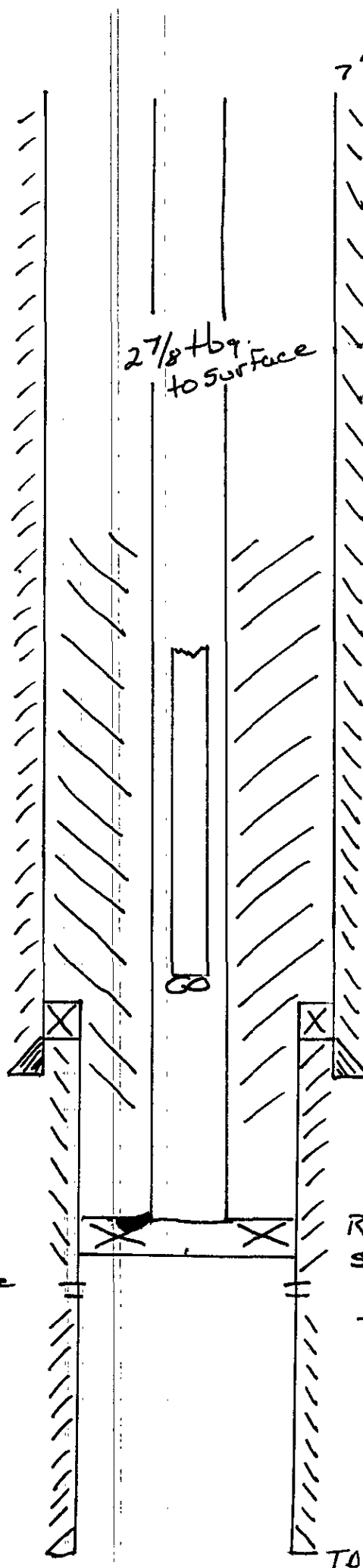


OFFICIAL SEAL  
SANDRA GUTHRIE  
NOTARY PUBLIC - STATE OF NEW MEXICO  
Notary Public Filed with Secretary of State  
My Commission Expires 2-24-2003

  
Notary Public

Data rec'd 4/3/02 From Eunice Well Service

8732 squeeze  
holes



7" cas ToC @ surface

NFI #2

unit D, sec 28, 4N, 1E

2 7/8" tbg  
to surface

— Top of Cement @ 5720'  
by bond log

1 1/4" coiled tbg.  
Top @ 6050  
motor and bit @ 7560

4 1/2" liner Top @ 8350

Retainer @ 8681  
squeezed 400 SX cement

— ToC @ 8750'

6 1/4" hole

TD 9160