McDarrity #1

API 30 025 22245

1285 Avenue

ne: Principal, if corporation, affix corporate seal here.)

Form O & G SCT Adopted 6-1-86

		SINGL	E WELL CA	ASH BOND			000-4-11
in t	Know all men by the State of New York	Ork (&XXXX	With its	K (XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	nXeXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	corporat	ion organized Avenue of th
Amer and the the	icas. 35th Floor authorized to do be Oil Conservation D sum of \$ 5000 United States.	_ in the city usiness in the ivision of the	of <u>New S</u> State of State of	(ork f New Mex f New Mex	, State (ico) is he ico (or it	of <u>New York</u> ld and fir s successo	ork mly bound to
THE	CONDITIONS OF THIS	OBLIGATION AR	E SUCH TH	HAT:			
pros priv foot 66	The above applicating well, the depet for and product individuals or age location of said FSL & 2310' FW OS Range 38	oth of which once oil, gas, the State of id well being L	ioes not or carbo New Mex	exceed on dioxid ico, the vs: <u>McGa</u>	5000 e resource particular errity No.	s on land dentifi l. Unit	feet, to owned by cation and
secu heir in a of N they does sum may than its of S acti over admi aban such natu clear null	The applicant has cated on the attace red. Applicant plus or administrators coordance with the ew Mexico in such ware found, and to not so properly pof the bond shall be used to properl the actual cost is successors, assigns ection 70-2-38 NMS on, including the and above the primary NOW THEREFORE, if nistrators or any codened, in accordance a manner as to corally occur, and to nup the surface loand void and the primary control of the surface loand of the primary control of the surface loand of the primary control of the surface loand void and the primary control of the surface loand void a	chment to this edges this sum a shall plug to rules and ord way as to confuse prevent same lug and abando be forfeited to plug said woncurred by the s, heirs or ad A (1978) of the above appoint the above appoint the above appoint the rule of the rule prevent them ocation of said principal sum of the said prevent them ocation of said principal sum of the said principal sum of the said prevent them ocation of said principal sum of the said principal sum of t	s bond be as a gu he well ders of the constant with the constant he oil a land proceed the bond. The plicant plug the les, reg., as from es d well, shall be	eing the arantee to lescribed the Oil Cooll, gas, aping to ell upon vision, athe pring the pring to shall and Gas Addings, to or its sabove-degulations, and water caping in then there paid to the sarantee t	principal that it, it above if of nservation and water other stra order of t and such ar cipal sum aging said l be liable t, and the orecover uccessors, scribed wel and order in the st to other s efore, thi the applica	sum intends executority, or who Division in the state. If the Division of this because any amount as if the Division any amount as if the Division any amount assigns, I when drys of the I rata in what are a sobligatint, or its	rs, assigns, en abandoned, of the State rata in which he applicant on, the total is necessary ond is less applicant, he provisions in may take the expended heirs, or yor or olivision, in hich they if further to lon shall be successors,
	s, or administrator						
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Gladstone	Resources, Inc.	· , ·		·			
	PRINCIPAL						
Avenue of the	Americas, 35th Floor	NY. NY 10019-6	5028				
olif)	Address	, 117 112 30020	Ву	John	J. M.	cher	
0	Signature			В	EFORE EXAM	AINER STOC	OMED
Tres 1	Clont Tisle	······)
					IL CONSERV	ATION DIVI	SION

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

ACKNOWLEDGEMENT FORM FOR CORPORATION ATE OF MIN YOUR SS. On this Bound 1994, before me personally appeared to sworn, did say that he is to me personally known who, being by me for sworn, did say that he is to me personally known who, being by me half of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and	JUNITY OF	SS	
The projected 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 see my hand and seal on the day and year in this certificate first above written. Notary Public NACKNOWLEDGEMENT FORM FOR CORPORATION ATEOF JUNTY OF Junty of Junty of the	On this	day of	
IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written. Notary Public ACKNOWLEDGEMENT FORM FOR CORPORATION ATEOF JUNTY OF On this On this Sa. Junty OF Junt			
ACKNOWLEDGEMENT FORM FOR CORPORATION ATEOF JUNITY OF On this On this Aday of JUNITY OF On this On this Aday of JUNITY OF JUNITY OF On this On t	scribed in and who exc	ecuted the foregoing instrument and acknowledged	that he (they) executed the same as his (their) free act and deed.
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APPROVED BY: On this day of the free act and acknowledged said insurament to be the free act and eld faid corporation. IN WITNESS WHEREOF. I have hereunto set my hand and seal on the day and year in this certificate first above written. RAPPROVED BY: OIL CONSERVATION OF NEW MEXICO By Commission expires Projected Depth of Proposed Well or Actual Depth of Existing Well Less than 5,000 feet \$ 7,500 All Other Countries in the State: Projected Depth of Proposed Well or Actual Depth of Existing Well Amount of Bond All Other Countries in the State: Projected Depth of Proposed Well or Actual Depth of Proposed Well or Actual Depth of Existing Well Amount of Bond All Other Countries in the State: Projected Depth of Proposed Well or Actual Depth of Existing Well Amount of Bond Less than 5,000 feet \$ 7,500 All Other Countries in the State: Projected Depth of Proposed Well or Actual Depth of Existing Well Amount of Bond Less than 5,000 feet \$ 57,500 Sould feet to 10,000 feet \$ 7,500 Sould feet to 10,000 feet \$ 7,500 Sould feet to 10,000 feet \$ 7,500 Sould feet to 10,000 feet \$ 57,500 Sould feet to 10,000 feet \$ 7,500 Sould feet to 10,000 feet \$ 10,000 Less than 5,000 feet \$ 50,000	•		Notary Public
On this	y Commission expires	•	
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to me personally known who, being by me by sworn, did say that he is	o	284 ELBA	lyen of Vi
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SABDAR ALLY NOTARY PUBLIC, State of New York NO. OIALARS7172 Qualified in Queens County Commission expires APPROVED BY: OIL CONSERVATION DIVISION OF NEW MEXICO By Date Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval, and San Juan Counties, New Mexicor Projected Depth of Proposed Well or Actual Depth of Existing Well Less than 5,000 feet \$ 5,000 All Other Counties in the State: Projected Depth of Proposed Well or Actual Depth of Proposed Well Amount of Bond All Other Counties in the State: Projected Depth of Proposed Well or Actual Depth of Existing Well Amount of Bond Less than 5,000 feet \$ 7,500 All Other Counties in the State: Projected Depth of Proposed Well or Actual Depth of Existing Well Amount of Bond Less than 5,000 feet \$ 7,500 5,000 feet to 10,000 feet \$ 7,500 5,000 feet to 10,000 feet \$ 7,500	half of said corporation.		nd acknowledged said instrument to be the free act and
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ASSIGNMENT OF CASH COLLATERAL DEPOSIT

(Must be a federally-insured bank or savings institution authorized to do business in New Mexico)

November 23, 1993

Pursuant to Section 70-2-14, NMSA (1978), or s	uccessor provisions, Gladstone						
Resources, Inc. (hereinafter Avenue of the Americas, 35th Floor, NY,NY 10019 (address)	referred to as "operator") of 1285						
State Bank (name of state or n	national bank or savings association) of						
1017 N. Turner, Hobbs, NM 88240 financial institution), the sum of \$5,000	(address) (herein termed						
financial institution), the sum of \$5,000	dollars in Certificate of						
Deposit or savings account No. 083186 all right, title and interest in the deposited	. Operator nereby assigns and conveys						
for the Oil Conservation Division of the Energ	v and Minerals Department or successor						
agency of the State of New Mexico. Operator and	i the financial institution agree that as						
to the deposited sum or fund:							
The Oil Concernation Division acquires	by this assignment the entire beneficial						
	to order the trustee in writing to						
	mined by the division to be entitled						
	f, in amounts determined by the Division,						
	er plugging of the well covered by this						
bond.							
b. Operator retains no legal or beneficia	l interest in the fund and has only the						
	d to return of the fund upon written order						
of the Division.	•						
c. The financial institution agrees that	the fund may not be assigned, transferred,						
	Ltten order of the Division or a court of						
competent jurisdiction made in a proc	eeding in which the Division is a party.						
	statutory or common law liens or rights of						
set-off against the fund.	•						
Operator agrees that the financial institut	ion may deduct from interest due operator						
any attorney fees incurred by the financial in	stitution if claim or demand via writ,						
summons or other process arising from operator	s business is made upon the financial						
institution.							
()	9/						
Holion Malion	(Maria Lunca						
Signature of Operator,	Signature of Authorized Officer of Financial Exstitution						
Personally or by Authorized Officer	Financial Edstitution						
Mesident	Assistant Vice President						
Gladstone Resources, Inc.	Lea County State Bank						
Title	Title						
STATE OF NEW MEXICO							
)ss.							
COUNTY OF <u>Lea</u>							
2/41							
On this 24th day of November,	19 93 , before me personally appeared						
Virginia Duncan and the person (persons) described in and who exe	, to me known to be						
acknowledged that the (they) executed the same a							
IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.							
TOTALLICATE TITS! ADOVE WITCHEN.	· ·						
THE MEDICAL PROPERTY OF THE PR	(i l = XL i						
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My Commission Expires

NOTARY PUBLIC

Carol Skinner

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

STATE OF NEW YORK
COUNTY OF Ques
On this day of FUBRUARY 94, before me personally appeared John J. MAHAR.
personally appeared FOHN J. MAHAR. and
, to me known to be the person
(persons) described in and who executed the foregoing instrument and
Acknowledged that the (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.
SABDAR ALLY Fallely
NOTARY PUBLIC, State of New York No. 01AL4837172 Qualified in Queens County Commission Expires Feb. 28, 199 My Commission expires: