

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,  
THROUGH THE SUPERVISOR OF DISTRICT I, FOR AN ORDER  
DETERMINING THAT ORBIT ENERGY INC. KNOWINGLY AND  
WILLFULLY VIOLATED 19.15.4.201 NMAC; REQUIRING ORBIT ENERGY  
INC. TO BRING FIVE WELLS INTO COMPLIANCE WITH 19.15.4.201 NMAC;  
ASSESSING APPROPRIATE CIVIL PENALTIES; AND IN THE EVENT OF  
NON-COMPLIANCE, AUTHORIZING THE DIVISION TO PLUG SAID WELLS  
AND FORFEIT THE APPLICABLE FINANCIAL ASSURANCES; ROOSEVELT  
COUNTY, NEW MEXICO.**

CASE NO. 13373

**Affidavit of Dorothy Phillips**

STATE OF NEW MEXICO   )  
  ) SS.  
COUNTY OF SANTA FE    )

Dorothy Phillips, being first duly sworn on oath, states as follows:

1. I have been employed as the bond administrator at the Santa Fe, New Mexico office of the Oil Conservation Division ("OCD") for the past four years.

2. My duties include maintaining records of financial assurance documents filed by operators pursuant to NMSA 1978, Section 70-2-14.

3. I have reviewed OCD's financial assurance records to determine if financial assurance documents were filed for the wells at issue in the above-captioned case (hereinafter, "subject wells"):

Farrell Federal #010, API 30-041-10446, F-28-7S-33E  
James McFarland #004, API 30-041-10567, L-20-7S-33E  
Humble Federal #005, API 30-041-20116, B-26-7S-32E  
State BA #001, API 30-041-10003, A-34-7S-35E  
State BA #002, API 30-041-20048, H-34-7S-35E

4. OCD's electronic permitting database, "E-Permitting" identifies the wells associated with a particular operator that have not been plugged. Attachment "A" to this affidavit is a printout of the E-Permitting screen showing Orbit Energy Inc. as the operator of the subject wells.

Before the OCD  
Case 13373  
OCD Ex. 3


5. ONGARD (oil and natural gas administration and revenue data base) maintains data on the financial assurances posted by operators. Attachment "B" to this affidavit consists of printouts of the ONGARD screens showing that Orbit Energy Inc. posted two cash bonds: bond number OCD 772 in the amount of \$50,000 and bond number OCD 773 in the amount of \$40,000.

6. My bond files show that bond number OCD 773 was posted because the OCD required additional bonding from Orbit Energy Inc. when it acquired a large number of wells from Orbit Enterprises Inc., including several inactive wells. Attachment "C" to this affidavit is a list of the wells transferred from Orbit Enterprises Inc. to Orbit Energy Inc., showing the additional bond amounts required for the inactive wells. Instead of providing an additional single well bond for each well requiring additional bonding, Orbit Energy Inc. chose to post a \$40,000 blanket bond to cover the additional bonding required.

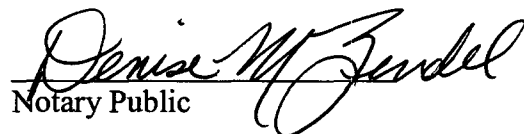
7. Attachment "D" to this affidavit is a copy of bond number OCD 772, with the assignment of cash collateral. OCD records show no amendments or riders to bond number OCD 772, and according to OCD records, that bond remains in effect.

8. Attachment "E" to this affidavit is a copy of bond number OCD 773, with the assignment of cash collateral. OCD records show no amendments or riders to bond number OCD 773, and according to OCD records, that bond remains in effect.

THIS CONCLUDES MY AFFIDAVIT.

  
Dorothy Phillips

SUBSCRIBED AND SWORN before me this 15<sup>th</sup> day of October, 2004.

  
Notary Public

My Commission Expires:

1-9-08

## Wells Operated By ORBIT ENERGY INC , 227083

October 20, 2004

Attachment A

Property	Well Name	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Oil POD	Gas POD
33821	ALLIE PARTIN ET AL #001	P	P-35-07S-32E	P	30-041-20344	O	12049	CHAVEROO;SAN ANDRES	10/03	2812263	2812264
	ALLIE PARTIN ET AL #002	P	O-35-07S-32E	O	30-041-20347	O	12049	CHAVEROO;SAN ANDRES	10/03	2812263	2812264
33665	ANDERSON STATE #001	S	O-36-07S-32E	O	30-041-20024	O	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #002	S	J-36-07S-32E	J	30-041-20035	O	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #003	S	M-36-07S-32E	M	30-041-20042	O	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #004	S	G-36-07S-32E	G	30-041-20043	O	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #005	S	H-36-07S-32E	H	30-041-20046	O	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #007	S	C-36-07S-32E	C	30-041-20051	O	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #008	S	B-36-07S-32E	B	30-041-20052	O	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #009	S	A-36-07S-32E	A	30-041-20084	O	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
33822	ARCHER #001	P	K-17-07S-34E	K	30-041-20787	O	12049	CHAVEROO;SAN ANDRES	10/03	490710	490730
	ARCHER #002	P	L-17-07S-34E	L	30-041-20798	O	12049	CHAVEROO;SAN ANDRES	10/03	490710	490730
33666	BROWN 51 #001	F	D-19-09S-38E	D	30-025-07061	O	55480	SAWYER;SAN ANDRES (ASSOC)	06/01	2021310	2021330
	BROWN 51 #002	F	F-19-09S-38E	F	30-025-21703	O	55480	SAWYER;SAN ANDRES (ASSOC)	06/01	2021310	2021330
33667	CHAVEROO A STATE #001	S	4-31-07S-33E	M	30-041-10633	O	12049	CHAVEROO;SAN ANDRES	07/03	705910	705930
	CHAVEROO A STATE #002	S	3-31-07S-33E	L	30-041-10668	O	12049	CHAVEROO;SAN ANDRES	07/03	705910	705930
33668	CHAVEROO B #001	S	K-31-07S-33E	K	30-041-10666	O	12049	CHAVEROO;SAN ANDRES	01/04	706010	706030
	CHAVEROO B #002	S	I-31-07S-33E	I	30-041-10669	O	12049	CHAVEROO;SAN ANDRES	01/04	706010	706030
33669	CWS #001	S	K-36-07S-32E	K	30-041-20090	O	12049	CHAVEROO;SAN ANDRES	01/04	706310	706330
	CWS #002	S	N-36-07S-32E	N	30-041-20091	O	12049	CHAVEROO;SAN ANDRES	01/04	706310	706330
33670	FARRELL FEDERAL #001	F	M-28-07S-33E	M	30-041-10125	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #002	F	L-28-07S-33E	L	30-041-10212	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #003	F	N-28-07S-33E	N	30-041-10252	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #004	F	O-28-07S-33E	O	30-041-10253	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #005	F	K-28-07S-33E	K	30-041-10240	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #006	F	P-28-07S-33E	P	30-041-10411	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #007	F	J-28-07S-33E	J	30-041-10423	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL	F	E-28-07S-33E	E	30-041-10440	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130

10/20/2024

CMD :  
OG6CBBB

ONGARD  
CAPTURE BLANKET BONDS

10/13/04 09:06:27  
OGODLP -TP22

OGRID Identifier : 227083 Bond Idn : 249488 Bond Status : A  
Operator Name, Address : ORBIT ENERGY INC  
PO BOX 311  
TATUM,NM 88267

Bond Details- Type (Cash/Surety - C/S): C Bond Co Idn: 13 Amount: 50000.00  
Company OGRID Identifier: 188822  
Company Name, Address : WELLS FARGO BANK OF SANTA FE  
150 WASHINGTON AVE  
SANTA FE,NM 87501-2073

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date : 01-01-1900 Cancellation Date : 12-31-9999

Issuer Bond No : OCD772

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 NXTBOND	PF11	PF12

Attachment B

CMD : ONGARD 10/13/04 09:06:35  
OG6CBBB CAPTURE BLANKET BONDS OGODLP -TP22

OGRID Identifier : 227083 Bond Idn : 249489 Bond Status : A  
Operator Name, Address : ORBIT ENERGY INC  
PO BOX 311  
TATUM,NM 88267

Bond Details- Type (Cash/Surety - C/S): C Bond Co Idn: 13 Amount: 40000.00  
Company OGRID Identifier: 188822  
Company Name, Address : WELLS FARGO BANK OF SANTA FE  
150 WASHINGTON AVE  
SANTA FE,NM 87501-2073

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date : 01-01-1900 Cancellation Date : 12-31-9999

Issuer Bond No : OCD773

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 NXTBOND	PF11	PF12

CMD :  
OG6CBB

ONGARD  
CAPTURE BLANKET BONDS

10/13/04 09:06:27  
OGODLP -TP22

OGRID Identifier : 227083 Bond Idn : 249488 Bond Status : A  
Operator Name, Address : ORBIT ENERGY INC  
PO BOX 311  
TATUM,NM 88267

Bond Details- Type (Cash/Surety - C/S): C Bond Co Idn: 13 Amount: 50000.00  
Company OGRID Identifier: 188822  
Company Name, Address : WELLS FARGO BANK OF SANTA FE  
150 WASHINGTON AVE  
SANTA FE,NM 87501-2073

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date : 01-01-1900 Cancellation Date : 12-31-9999

Issuer Bond No : OCD772

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 NXTBOND	PF11	PF12

Attachment B

CMD :  
OG6CBBD

ONGARD  
CAPTURE BLANKET BONDS

10/13/04 09:06:35  
OGODLP -TP22

OGRID Identifier : 227083 Bond Idn : 249489 Bond Status : A  
Operator Name, Address : ORBIT ENERGY INC  
PO BOX 311  
TATUM,NM 88267

Bond Details- Type (Cash/Surety - C/S): C Bond Co Idn: 13 Amount: 40000.00  
Company OGRID Identifier: 188822  
Company Name, Address : WELLS FARGO BANK OF SANTA FE  
150 WASHINGTON AVE  
SANTA FE,NM 87501-2073

Limited as to future Liability (Y/N) : N If Limited, End Date :

Effective Date : 01-01-1900 Cancellation Date : 12-31-9999

Issuer Bond No : OCD773

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 NXTBOND	PF11	PF12



**Operator: ORBIT ENTERPRISES INC, 16530**  
**Wells Selected for Transfer, Permit 423**  
**April 1, 2004**

**OCD District: Hobbs**

Property	Well Name	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Addl Bond
15719	ANDERSON STATE #001	S	O-36-07S-32E	O	30-041-20024	O	12049	CHAVEROO;SAN ANDRES	01/04	
	ANDERSON STATE #002	S	J-36-07S-32E	J	30-041-20035	O	12049	CHAVEROO;SAN ANDRES	01/04	
	ANDERSON STATE #003	S	M-36-07S-32E	M	30-041-20042	O	12049	CHAVEROO;SAN ANDRES	01/04	
	ANDERSON STATE #004	S	G-36-07S-32E	G	30-041-20043	O	12049	CHAVEROO;SAN ANDRES	01/04	
	ANDERSON STATE #005	S	H-36-07S-32E	H	30-041-20046	O	12049	CHAVEROO;SAN ANDRES	01/04	
	ANDERSON STATE #007	S	C-36-07S-32E	C	30-041-20051	O	12049	CHAVEROO;SAN ANDRES	01/04	
	ANDERSON STATE #008	S	B-36-07S-32E	B	30-041-20052	O	12049	CHAVEROO;SAN ANDRES	01/04	
	ANDERSON STATE #009	S	A-36-07S-32E	A	30-041-20084	O	12049	CHAVEROO;SAN ANDRES	01/04	
8532	BROWN 51 #001	F	D-19-09S-38E	D	30-025-07061	O	55480	SAWYER;SAN ANDRES (ASSOC)	06/01	\$7500
	BROWN 51 #002	F	F-19-09S-38E	F	30-025-21703	O	55480	SAWYER;SAN ANDRES (ASSOC)	06/01	\$7500
15775	CHAVEROO A STATE #001	S	4-31-07S-33E	M	30-041-10633	O	12049	CHAVEROO;SAN ANDRES	07/03	
	CHAVEROO A STATE #002	S	3-31-07S-33E	L	30-041-10668	O	12049	CHAVEROO;SAN ANDRES	07/03	
15982	CHAVEROO B #001	S	K-31-07S-33E	K	30-041-10666	O	12049	CHAVEROO;SAN ANDRES	01/04	
	CHAVEROO B #002	S	I-31-07S-33E	I	30-041-10669	O	12049	CHAVEROO;SAN ANDRES	01/04	
15720	CWS #001	S	K-36-07S-32E	K	30-041-20090	O	12049	CHAVEROO;SAN ANDRES	01/04	
	CWS #002	S	N-36-07S-32E	N	30-041-20091	O	12049	CHAVEROO;SAN ANDRES	01/04	
8533	FARRELL FEDERAL #001	F	M-28-07S-33E	M	30-041-10125	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #002	F	L-28-07S-33E	L	30-041-10212	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #003	F	N-28-07S-33E	N	30-041-10252	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #004	F	O-28-07S-33E	O	30-041-10253	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #005	F	K-28-07S-33E	K	30-041-10240	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #006	F	P-28-07S-33E	P	30-041-10411	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #007	F	J-28-07S-33E	J	30-041-10423	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #008	F	E-28-07S-33E	E	30-041-10440	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #009	F	I-28-07S-33E	I	30-041-10441	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #010	F	F-28-07S-33E	F	30-041-10446	S	96121	SWD;SAN ANDRES	02/96	\$5000 Y
	FARRELL FEDERAL #011	F	H-28-07S-33E	H	30-041-10459	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #012	F	G-28-07S-33E	G	30-041-10460	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #013	F	D-28-07S-33E	D	30-041-10431	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #014	F	C-28-07S-33E	C	30-041-10432	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #015	F	B-28-07S-33E	B	30-041-10433	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #016	F	A-28-07S-33E	A	30-041-10434	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #017	F	A-28-07S-33E	A	30-041-20693	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #018	F	B-28-07S-33E	B	30-041-20694	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #020	F	E-28-07S-33E	E	30-041-20696	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #021	F	I-28-07S-33E	I	30-041-20689	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #023	F	M-28-07S-33E	M	30-041-20698	O	12049	CHAVEROO;SAN ANDRES	07/03	
	FARRELL FEDERAL #024	F	N-28-07S-33E	N	30-041-20699	O	12049	CHAVEROO;SAN ANDRES	07/03	
8534	FEDERAL 19 #001	F	O-19-07S-33E	O	30-041-20143	O	12049	CHAVEROO;SAN ANDRES	01/04	
	FEDERAL 19 #002	F	P-19-07S-33E	P	30-041-10236	O	12049	CHAVEROO;SAN ANDRES	01/04	
8535	FEDERAL A #001	F	O-24-07S-32E	O	30-041-20107	O	12049	CHAVEROO;SAN ANDRES	01/04	
	FEDERAL A #002	F	P-24-07S-32E	P	30-041-20112	O	12049	CHAVEROO;SAN ANDRES	01/04	
	FEDERAL A #003	F	J-24-07S-32E	J	30-041-20154	O	12049	CHAVEROO;SAN ANDRES	01/04	
15721	HUMBLE FEDERAL #001	F	F-25-07S-32E	F	30-041-20109	O	12049	CHAVEROO;SAN ANDRES	01/04	
	HUMBLE FEDERAL #002	F	E-25-07S-32E	E	30-041-20113	O	12049	CHAVEROO;SAN ANDRES	01/04	
	HUMBLE FEDERAL #005	F	B-26-07S-32E	B	30-041-20116	S	96121	SWD;SAN ANDRES		\$5000 K
	HUMBLE FEDERAL #007	F	D-25-07S-32E	D	30-041-20118	O	12049	CHAVEROO;SAN ANDRES	01/04	
	HUMBLE FEDERAL #008	F	C-25-07S-32E	C	30-041-20119	O	12049	CHAVEROO;SAN ANDRES	01/04	
15722	HUMBLE TUCKER #001	P	N-25-07S-32E	N	30-041-20058	O	12049	CHAVEROO;SAN ANDRES	01/04	
	HUMBLE TUCKER #002	P	K-25-07S-32E	K	30-041-20059	O	12049	CHAVEROO;SAN ANDRES	01/04	
	HUMBLE TUCKER #003	P	L-25-07S-32E	L	30-041-20095	O	12049	CHAVEROO;SAN ANDRES	01/04	

Attachment C

	HUMBLE TUCKER #004	P	M-25-07S-32E	M	30-041-20096	O	12049 CHAVEROO;SAN ANDRES	01/04	
15410	JAMES MCFARLAND #001	P	N-20-07S-33E	N	30-041-10474	O	12049 CHAVEROO;SAN ANDRES	06/03	
	JAMES MCFARLAND #002	P	M-20-07S-33E	M	30-041-10407	O	12049 CHAVEROO;SAN ANDRES	06/03	
	JAMES MCFARLAND #003	P	K-20-07S-33E	K	30-041-10483	O	12049 CHAVEROO;SAN ANDRES	06/03	
	JAMES MCFARLAND #004	F	L-20-07S-33E	L	30-041-10567	S	96121 SWD;SAN ANDRES	03/96	\$5000
15411	JAMES MCFARLAND A #001	P	O-20-07S-33E	O	30-041-10403	O	12049 CHAVEROO;SAN ANDRES	07/03	
	JAMES MCFARLAND A #002	P	P-20-07S-33E	P	30-041-10447	O	12049 CHAVEROO;SAN ANDRES	07/03	
	JAMES MCFARLAND A #003	P	J-20-07S-33E	J	30-041-10484	O	12049 CHAVEROO;SAN ANDRES	07/03	
	JAMES MCFARLAND A #004	P	I-20-07S-33E	I	30-041-10492	O	12049 CHAVEROO;SAN ANDRES	07/03	
15723	KMS #001	S	P-36-07S-32E	P	30-041-20033	O	12049 CHAVEROO;SAN ANDRES	01/04	
	KMS #002	S	I-36-07S-32E	I	30-041-20041	O	12049 CHAVEROO;SAN ANDRES	01/04	
	KMS #003	S	F-36-07S-32E	F	30-041-20045	O	12049 CHAVEROO;SAN ANDRES	01/04	
	KMS #004	S	E-36-07S-32E	E	30-041-20053	O	12049 CHAVEROO;SAN ANDRES	01/04	
	KMS #005	S	D-36-07S-32E	D	30-041-20054	O	12049 CHAVEROO;SAN ANDRES	01/04	
8537	LINE STATE #001	S	2-16-08S-38E	G	30-041-20451	O	6880 BLUITT;SAN ANDRES (ASSOCIATED)	09/03	
8538	PARTIN 35 #001	P	B-35-07S-32E	B	30-041-20139	O	12049 CHAVEROO;SAN ANDRES	06/03	
8539	SHELL 35 FEDERAL #001	F	E-35-07S-32E	E	30-041-20104	O	12049 CHAVEROO;SAN ANDRES	01/04	
	SHELL 35 FEDERAL #002	F	F-35-07S-32E	F	30-041-20137	O	12049 CHAVEROO;SAN ANDRES	01/04	
14679	STATE BA #001	S	A-34-07S-35E	A	30-041-10003	O	86240 TODD;UPPER SAN ANDRES (GAS)	05/97	\$5000
	STATE BA #002	S	H-34-07S-35E	H	30-041-20048	G	86240 TODD;UPPER SAN ANDRES (GAS)	04/97	\$5000
8540	STATE CVB #001	S	P-31-07S-33E	P	30-041-10580	O	12049 CHAVEROO;SAN ANDRES	01/04	
	STATE CVB #002	S	Q-31-07S-33E	O	30-041-10604	O	12049 CHAVEROO;SAN ANDRES	01/04	
	STATE CVB #003	S	J-31-07S-33E	J	30-041-10623	O	12049 CHAVEROO;SAN ANDRES	01/04	
15724	TUCKER #001	P	L-24-07S-32E	L	30-041-20141	O	12049 CHAVEROO;SAN ANDRES	10/03	
	TUCKER #002	P	P-23-07S-32E	P	30-041-20145	O	12049 CHAVEROO;SAN ANDRES	10/03	
	TUCKER #005	P	M-24-07S-32E	M	30-041-20769	S	96121 SWD;SAN ANDRES	01/04	
15725	TUCKER HALL #001	P	O-25-07S-32E	O	30-041-20152	O	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #002	P	J-25-07S-32E	J	30-041-20160	O	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #003	P	G-25-07S-32E	G	30-041-20162	O	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #004	P	B-25-07S-32E	B	30-041-20166	O	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #005	P	A-25-07S-32E	A	30-041-20167	O	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #006	P	H-25-07S-32E	H	30-041-20759	O	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #007	P	I-25-07S-32E	I	30-041-20760	O	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #008	P	P-25-07S-32E	P	30-041-20761	O	12049 CHAVEROO;SAN ANDRES	07/03	

Total Additional Bond

\$40000

00772

Form O & G CBB  
Adopted 6-1-86  
Revised 1-1-03

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division

BLANKET CASH PLUGGING BOND

Orbit Energy Inc ("OPERATOR"), a(n)  
corporation (Name of Operator)  
corporation, organized in the State of  
(Individual, Partnership, Corporation, Limited Liability Company, Etc.)

Texas and authorized to do business in the State of New Mexico, whose mailing address is  
406 S. Ave C, PO Box 211, Tatum, NM, 88261 is hereby firmly bound to the Oil  
Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State  
of New Mexico ("the DIVISION"), in the sum of **Fifty Thousand Dollars (\$50,000)** upon the following conditions:

OPERATOR desires to drill, acquire, or assume operation of, wells to prospect for and/or produce oil or  
gas, carbon dioxide gas, helium gas or brine minerals on land owned by the State of New Mexico or on privately  
owned fee land within the State of New Mexico.

OPERATOR has deposited on behalf of the DIVISION the sum of **Fifty Thousand Dollars (\$50,000)**  
with Wells Fargo bank ("FINANCIAL INSTITUTION") in the account indicated on, and  
subject to the terms of, the Assignment attached to this bond. OPERATOR pledges this sum as financial assurance  
that it or its successors or personal representatives will cause to be properly plugged and abandoned all wells in the  
State of New Mexico now or hereafter owned or operated by it if dry, or when no longer productive or useful for  
other beneficial purpose, in accordance with all applicable rules and orders of the DIVISION, including but not  
limited to Division Rules 101 [19.15.3.101 NMAC] and 202 [19.15.4.202 NMAC], as the same now exist or may be  
hereafter amended. If OPERATOR does not so properly plug and abandon said wells, upon order of the DIVISION  
after notice and hearing, the total sum of this bond shall be forfeited to the DIVISION, as provided in NMSA 1978  
Section 70-2-14.B, as amended. If the principal sum of this bond is less than the actual cost incurred by the  
DIVISION in plugging and abandoning said wells in accordance with Rules 101 and 202 and any other applicable  
rules or orders, OPERATOR, its successors, heirs or personal representatives, shall be liable under the provisions of  
NMSA 1978, Sections 70-2-14 or 70-2-38 as amended (as applicable), for such deficiency, and the DIVISION may  
initiate action, as provided in said statutes, to recover same.

If OPERATOR or its successors, heirs, personal representatives or assigns cause all wells now or hereafter  
owned or operated by OPERATOR in the State of New Mexico to be properly plugged and abandoned in  
accordance with all applicable rules and orders of the DIVISION, as above described, this obligation shall be null  
and void, and the principal sum of the deposit securing this bond shall be released to OPERATOR or to its  
successors, heirs, or personal representatives.

Orbit Energy Inc.  
PRINCIPAL

Return to:

Oil Conservation Division  
1220 South Saint Francis  
Santa Fe, NM 87505

By [Signature]  
Signature  
President  
Title

Attachment D

INDIVIDUAL ACKNOWLEDGMENT:

State of New Mexico

County of \_\_\_\_\_.

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_  
(Individual Operator)

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

SEAL

My Commission Expires:  
\_\_\_\_\_

ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY:

State of New Mexico

County of Santa Fe

This instrument was acknowledged before me on April 6, 2004 by  
Bruce Holland of President  
(Name of signing person) (Title)  
Orbit Energy Inc.  
(Name of Operator)

SEAL

My Commission Expires:

6-6-07

Linda Kolb

APPROVED BY:

Oil Conservation Division of New Mexico

By

Neil MacCusker

Date

Apr 6, 2004



OFFICIAL SEAL

LINDA KOLB

NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires:

6-6-07

OCD 772

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division

## ASSIGNMENT OF CASH COLLATERAL DEPOSIT

ORBIT ENERGY INC. ("OPERATOR") of 406 S. Ave. C, Box 311  
TATUM, NEW MEXICO 88267 (address) has deposited with  
Wells Fargo Bank, 241 Washington Ave, Santa Fe, NM 87501 (name of federally insured state or national  
 bank or savings association in the State of New Mexico) of  
 (address) (FINANCIAL INSTITUTION), the sum of  
Fifty thousand dollars (\$50,000) in Certificate of Deposit or Savings Account No. 329/008601 (FUND).

To comply with NMSA 1978, Section 70-2-14, as amended, OPERATOR hereby assigns all right, title and interest in the FUND, except as herein otherwise provided, to the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State of New Mexico (the DIVISION).

OPERATOR and FINANCIAL INSTITUTION agree that as to the FUND:

- The DIVISION acquires by this assignment the entire beneficial interest in the FUND, with the right to order the FINANCIAL INSTITUTION 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, without further consent by the OPERATOR. FINANCIAL INSTITUTION hereby acknowledges that the DIVISION is FINANCIAL INSTITUTION'S customer with respect to the FUND.
- OPERATOR retains no legal or beneficial interest in the FUND except the right to interest, if any, thereon, and to return of the FUND upon written order of the DIVISION following final disposition, or plugging and abandonment in accordance with all rules and orders of the DIVISION, of all wells in the State of New Mexico for which this Assignment now or hereafter serves as financial assurance
- FINANCIAL INSTITUTION agrees that the FUND may not be assigned, transferred, pledged or distributed except upon written order of the DIVISION or of a court order entered in a proceeding to which the DIVISION is a party. FINANCIAL INSTITUTION hereby waives all statutory or common law liens or rights of set-off or recoupment against the FUND by reason of any indebtedness or obligation of OPERATOR to FINANCIAL INSTITUTION now existing or hereafter incurred.
- OPERATOR agrees that FINANCIAL INSTITUTION may deduct, solely from interest due OPERATOR, any costs or attorney fees incurred by FINANCIAL INSTITUTION by reason of any claim or demand via writ, summons or other process made upon FINANCIAL INSTITUTION arising from OPERATOR'S business. FINANCIAL INSTITUTION agrees that no such costs or fees shall be deducted from the principal of the FUND prior to final release thereof to OPERATOR by the DIVISION.

This agreement shall be governed by the laws of the State of New Mexico.

Orbit Energy Inc  
 Operator  
 By: [Signature]  
 Signature of individual OPERATOR  
 or Authorized Officer  
President  
 Title

Wells Fargo Bank  
 Financial Institution  
 By: [Signature]  
 Signature of Authorized Officer  
 of FINANCIAL INSTITUTION  
Store Manager  
 Title

**NOTE:** If the officer executing this instrument on behalf of the Financial Institution is not the President, a Vice President or a branch manager, attach a copy of a certified resolution of the Board of Directors evidencing such officer's authority.

INDIVIDUAL ACKNOWLEDGMENT:

State of New Mexico  
County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by \_\_\_\_\_  
(Individual Operator)

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

SEAL

My Commission Expires: \_\_\_\_\_

ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY:

State of New Mexico:  
County of Santa Fe

This instrument was acknowledged before me on 4-6, 2004, by Bruce Holland  
(Name of Person Signing)  
as President, of Orbit Energy Inc  
(Capacity, e.g., Partner, President, etc.) (Name of Operator)  
a Corporation  
(Partnership, Corporation or Limited Liability Company)



OFFICIAL SEAL  
LINDA KOLB  
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: 6-6-07

Linda Kolb  
Notary Public

SEAL

My Commission Expires: 6-6, 2007

FINANCIAL INSTITUTION ACKNOWLEDGMENT:

State of New Mexico:  
County of Santa Fe

This instrument was acknowledged before me on 4-6, 2007, by Nestor Lopez  
(Name of Officer)  
as Branch Manager of Wells Fargo Bank  
(Title) (Name of Financial Institution)

Linda Kolb  
Notary Public

SEAL

My Commission Expires: 6-6, 2007



OFFICIAL SEAL  
LINDA KOLB  
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: 6-6-07

OCD 773

Form O & G CBB  
Adopted 6-1-86  
Revised 1-1-03

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division

BLANKET CASH PLUGGING BOND

Orbit Energy Inc. ("OPERATOR"), a(n)  
corporation (Name of Operator), organized in the State of  
(Individual, Partnership, Corporation, Limited Liability Company, Etc.)

Texas, and authorized to do business in the State of New Mexico, whose mailing address is  
406 S. Ave C, P.O. Box 311, Tatum, NM, 88267 is hereby firmly bound to the Oil  
Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State  
of New Mexico ("the DIVISION"), in the sum of Forty Thousand Dollars (\$40,000) upon the following  
conditions:

OPERATOR desires to drill, acquire, or assume operation of, wells to prospect for and/or produce oil or  
gas, carbon dioxide gas, helium gas or brine minerals on land owned by the State of New Mexico or on privately  
owned fee land within the State of New Mexico.

OPERATOR has deposited on behalf of the DIVISION the sum of Forty Thousand Dollars (\$40,000)  
with Wells Fargo Bank ("FINANCIAL INSTITUTION") in the account indicated on, and  
subject to the terms of, the Assignment attached to this bond. OPERATOR pledges this sum as financial assurance  
that it or its successors or personal representatives will cause to be properly plugged and abandoned all wells in the  
State of New Mexico now or hereafter owned or operated by it if dry, or when no longer productive or useful for  
other beneficial purpose, in accordance with all applicable rules and orders of the DIVISION, including but not  
limited to Division Rules 101 [19.15.3.101 NMAC] and 202 [19.15.4.202 NMAC], as the same now exist or may be  
hereafter amended. If OPERATOR does not so properly plug and abandon said wells, upon order of the DIVISION  
after notice and hearing, the total sum of this bond shall be forfeited to the DIVISION, as provided in NMSA 1978  
Section 70-2-14.B, as amended. If the principal sum of this bond is less than the actual cost incurred by the  
DIVISION in plugging and abandoning said wells in accordance with Rules 101 and 202 and any other applicable  
rules or orders, OPERATOR, its successors, heirs or personal representatives, shall be liable under the provisions of  
NMSA 1978, Sections 70-2-14 or 70-2-38 as amended (as applicable), for such deficiency, and the DIVISION may  
initiate action, as provided in said statutes, to recover same.

If OPERATOR or its successors, heirs, personal representatives or assigns cause all wells now or hereafter  
owned or operated by OPERATOR in the State of New Mexico to be properly plugged and abandoned in  
accordance with all applicable rules and orders of the DIVISION, as above described, this obligation shall be null  
and void, and the principal sum of the deposit securing this bond shall be released to OPERATOR or to its  
successors, heirs, or personal representatives.

Orbit Energy Inc.  
PRINCIPAL

Return to:

Oil Conservation Division  
1220 South Saint Francis  
Santa Fe, NM 87505

By B. Stewart  
Signature  
President  
Title

Attachment E

INDIVIDUAL ACKNOWLEDGMENT:

State of New Mexico  
County of San

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by  
\_\_\_\_\_  
(Individual Operator)

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

SEAL

My Commission Expires:  
\_\_\_\_\_

ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY:

State of New Mexico  
County of San

This instrument was acknowledged before me on April 6, 2004 by  
Bruce Holland of President  
(Name of signing person) (Title)  
Orbit Energy Inc  
(Name of Operator)

SEAL

My Commission Expires:  
6-6-07

Linda Kolb

APPROVED BY:

Oil Conservation Division of New Mexico

By [Signature]

Date Apr. 6, 2004



OFFICIAL SEAL  
LINDA KOLB  
NOTARY PUBLIC - STATE OF NEW MEXICO  
My commission expires: 6-6-07



OCD 773

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division

## ASSIGNMENT OF CASH COLLATERAL DEPOSIT

ORBIT ENERGY INC. ("OPERATOR") of 406 S. Ave C, P.O. Box 311,  
TATUM NEW MEXICO 88267 (address) has deposited with  
Wells Fargo Bank (name of federally insured state or national  
 bank or savings association in the State of New Mexico) of Wells Fargo Bank  
241 Washington Ave, Suite 100 NM 88201 (address) (FINANCIAL INSTITUTION), the sum of  
Forty thousand dollars (\$40,000) in Certificate of Deposit or Savings Account No. 229100864 (FUND).

To comply with NMSA 1978, Section 70-2-14, as amended, OPERATOR hereby assigns all right, title and interest in the FUND, except as herein otherwise provided, to the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) of the State of New Mexico (the DIVISION).

OPERATOR and FINANCIAL INSTITUTION agree that as to the FUND:

- a. The DIVISION acquires by this assignment the entire beneficial interest in the FUND, with the right to order the FINANCIAL INSTITUTION 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, without further consent by the OPERATOR. FINANCIAL INSTITUTION hereby acknowledges that the DIVISION is FINANCIAL INSTITUTION'S customer with respect to the FUND.
- b. OPERATOR retains no legal or beneficial interest in the FUND except the right to interest, if any, thereon, and to return of the FUND upon written order of the DIVISION following final disposition, or plugging and abandonment in accordance with all rules and orders of the DIVISION, of all wells in the State of New Mexico for which this Assignment now or hereafter serves as financial assurance
- c. FINANCIAL INSTITUTION agrees that the FUND may not be assigned, transferred, pledged or distributed except upon written order of the DIVISION or of a court order entered in a proceeding to which the DIVISION is a party. FINANCIAL INSTITUTION hereby waives all statutory or common law liens or rights of set-off or recoupment against the FUND by reason of any indebtedness or obligation of OPERATOR to FINANCIAL INSTITUTION now existing or hereafter incurred.
- d. OPERATOR agrees that FINANCIAL INSTITUTION may deduct, solely from interest due OPERATOR, any costs or attorney fees incurred by FINANCIAL INSTITUTION by reason of any claim or demand via writ, summons or other process made upon FINANCIAL INSTITUTION arising from OPERATOR'S business. FINANCIAL INSTITUTION agrees that no such costs or fees shall be deducted from the principal of the FUND prior to final release thereof to OPERATOR by the DIVISION.

This agreement shall be governed by the laws of the State of New Mexico.

Orbit Energy Inc  
Operator

By: [Signature]  
Signature of individual OPERATOR  
or Authorized Officer  
President  
Title

Wells Fargo Bank  
Financial Institution  
By: [Signature]  
Signature of Authorized Officer  
of FINANCIAL INSTITUTION  
Store Manager  
Title

**NOTE:** If the officer executing this instrument on behalf of the Financial Institution is not the President, a Vice President or a branch manager, attach a copy of a certified resolution of the Board of Directors evidencing such officer's authority.

INDIVIDUAL ACKNOWLEDGMENT:

State of New Mexico

County of \_\_\_\_\_.

This instrument was acknowledged before me on \_\_\_\_\_, 20\_\_ by

\_\_\_\_\_  
(Individual Operator)

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

SEAL

My Commission Expires:  
\_\_\_\_\_

ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY:

State of New Mexico:

County of Santa Fe

This instrument was acknowledged before me on 4-6, 2004 by Bruce Holland

as President, of Orbit Energy Inc.  
(Capacity, e.g., Partner, President, etc.) (Name of Operator)

a Corporation  
(Partnership, Corporation or Limited Liability Company)



OFFICIAL SEAL  
LINDA KOLB  
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: 6-6-07

SEAL

Linda Kolb  
Notary Public

My Commission Expires:

6-6-07, 20\_\_.

FINANCIAL INSTITUTION ACKNOWLEDGMENT:

State of New Mexico:

County of Santa Fe

This instrument was acknowledged before me on 4-6, 2004 by Restor Lopez

as Branch Manager of Wells Fargo Bank  
(Title) (Name of Financial Institution)

Linda Kolb  
Notary Public

SEAL

My Commission Expires:

6-6-07, 2007



OFFICIAL SEAL  
LINDA KOLB  
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: 6-6-07