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.

	£ 5	
	Dorothy Phillips	_
SUBSCRIBED AND SWORN before me this 15	Jay of October, 2004.	

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	Wel		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
18.	ALLIE PARTIN ET AL #002	P	O-35-07S-32E	0	30-041-20347	0	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
200	ANDERSON STATE #002	S	J-36-07S-32E	J .	30-041-20035	О	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #003	s	M-36-07S-32E	M	30-041-20042	О	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
· • • • • • • • • • • • • • • • • • • •	ANDERSON STATE #004	· S.	G-36-07S-32E	G	30-041-20043	О	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #005	s	H-36-07S-32E	Н	30-041-20046	0	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #007	S	C-36-07S-32E	c	30-041-20051	О	12049	CHAVEROO; SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #008	· s :	B-36-07S-32E	В	30-041-20052	• О	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
	ANDERSON STATE #009	s	A-36-07S-32E	A	30-041-20084	. 0	12049	CHAVEROO;SAN ANDRES	01/04	706210	706230
33822	ARCHER #001	. • P	K-17-07S-34E	K	30-041-20787	. 0	12049	CHAVEROO;SAN ANDRES	10/03	490710	490730
	ARCHER #002	P	L-17-07S-34E	L	30-041-20798	0	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	0	55480	SAWYER;SAN ANDRES (ASSOC)	06/01	2021310	2021330
33667	CHAVEROO A STATE #001	S	4-31-07\$-33E	M	30-041-10633	0	12049	CHAVEROO;SAN ANDRES	07/03	705910	705930
	#002	'S	3-31-07S-33E	L	30-041-10668	0	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		I-31-07S-33E	. I ·	30-041-10669	0		CHAVEROO;SAN ANDRES			706030
33669	CWS #001	S	K-36-07S-32E	K N	30-041-20090	0		CHAVEROO; SAN ANDRES	01/04		706330
	CWS #002	S	N-36-07S-32E	IN	30-041-20091	. 0	12049	CHAVEROO;SAN ANDRES	01/04	706310	706330
33670	FARRELL FEDERAL #001	F	M-28-07S-33E	M	30-041-10125	0	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
٠	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	0	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

N + 4 (#008 FARRELL FEDERAL	·F	I-28-07S-33E	I	30-041-10441	0	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
5.7	#009 FARRELL FEDERAL	F	F-28-07S-33E	F	30-041-10446	s		SWD;SAN ANDRES	02/96	,	
. "	#010 FARRELL FEDERAL			_					07/03	706110	706120
	#011 FARRELL FEDERAL	F	H-28-07S-33E	Н	30-041-10459	0	12049	CHAVEROO;SAN ANDRES			
	#012	F	G-28-07S-33E	G	30-041-10460	0	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	#013	F	D-28-07S-33E	D	30-041-10431	0	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
14 (15)	FARRELL FEDERAL #014	. F	C-28-07S-33E	·C	30-041-10432	.0	12049	CHAVEROO; SAN ANDRES	07/03	706110	706130
1000	FARRELL FEDERAL #015	F	B-28-07S-33E	В	30-041-10433	0	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
former,	FARRELL FEDERAL #016	F	A-28-07S-33E	Α	30-041-10434	0	12049	CHAVEROO; SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #017	· F ·	A-28-07S-33E	Α	30-041-20693	· o . · ·	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #018	F	B-28-07S-33E	В	30-041-20694	o	12049	CHAVEROO; SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #020	F	E-28-07S-33E	E	30-041-20696	0	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
	FARRELL FEDERAL #021	F.	I-28-07S-33E	I	30-041-20689	0	12049	CHAVEROO; SAN ANDRES	07/03	706110	706130
A Mar	FARRELL FEDERAL #023	F	M-28-07S-33E	· . M	30-041-20698	o	12049	CHAVEROO;SAN ANDRES	07/03:	706110	706130
s trif	FARRELL FEDERAL #024	F	N-28-07S-33E	N	30-041-20699	O	12049	CHAVEROO;SAN ANDRES	07/03	706110	706130
				,				,			
33671	FEDERAL 19 #001	F ·	O-19-07S-33E	0	30-041-20143	0	12049	CHAVEROO; SAN ANDRES	01/04	2020810	2020830
	FEDERAL 19 #002	F	P-19-07S-33E	P	30-041-10236	0	12049	CHAVEROO;SAN ANDRES	01/04	2020810	2020830
33672	FEDERAL A #001	F	O-24-07S-32E	0	30-041-20107	О	12049	CHAVEROO;SAN ANDRES	01/04	2020910	
	FEDERAL A #002	F	P-24-07S-32E	P	30-041-20112	О		CHAVEROO;SAN ANDRES	01/04	2020910	
new seed	FEDERAL A #003	F	J-24-07S-32E	J	30-041-20154	О	12049	CHAVEROO;SAN ANDRES	01/04	2020910. :	2020930
33823	HEFFLEFINGER #901	Ρ,	C-35-07S-32E	Ç	30-041-20709	o	12049	CHAVEROO;SAN ANDRES	06/03	2812242	
111	HEFFLEFINGER #002	P	D-35-07S-32E	D	30-041-20710	0 .	12049	CHAVEROO;SAN ANDRES	06/03	2812242	
					e				٠,		
33824	HONDO STATE #001	S	A-31-07S-33E	Α	30-041-10454		12049	CHAVEROO;SAN ANDRES	10/03	1964510	1964530
33673	HUMBLE FEDERAL #001	F	F-25-07S-32E	F	30-041-20109	o	12049	CHAVEROO;SAN ANDRES	01/04	706410	706430
• •	HUMBLE FEDERAL #002	F	E-25-07S-32E	, E	30-041-20113	o	12049	CHAVEROO;SAN ANDRES	01/04	706410	706430
	HUMBLE FEDERAL #005	F	B-26-07S-32E	В	30-041-20116	s	96121	SWD;SAN ANDRES			
	HUMBLE FEDERAL #007	F	D-25-07S-32E	. D	30-041-20118	. 0	12049	CHAVEROO;SAN ANDRES	01/04	706410 1	706430
	HUMBLE FEDERAL #008	F	C-25-07S-32E	С	30-041-20119	o	12049	CHAVEROO;SAN ANDRES	01/04	706410	706430
33674	HUMBLE TUCKER #001	P	N-25-07S-32E	N	30-041-20058	o	12049	CHAVEROO;SAN ANDRES	01/04	706510	706530
	HUMBLE TUCKER #002	P	K-25-07S-32E	ĸ	30-041-20059	o	12049	CHAVEROO;SAN ANDRES	01/04	706510	706530
	HUMBLE TUCKER #003	P	L-25-07S-32E	L	30-041-20095	o	12049	CHAVEROO;SAN ANDRES	01/04	706510	706530
	HUMBLE TUCKER #004	P	M-25-07S-32E	M	30-041-20096	o	12049	CHAVEROO;SAN ANDRES	01/04	706510	706530
	II OUT										
33778	JAMES MCFARLAMD	P	O-20-07S-33E	o	30-041-10403	o	12049	CHAVEROO;SAN ANDRES	07/03	1953710 1	1953730

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CAPTURE BLANKET BONDS

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

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CAPTURE BLANKET BONDS

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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

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CAPTURE BLANKET BONDS

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

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OG6CBBD

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 :

Cancellation Date : 12-31-9999

Issuer Bond No : OCD773

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Effective Date: 01-01-1900

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Date: 10/13/2004 Time: 09:07:26 AM

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

OCD District: Hobbs

	Property	Well Name	Lease Type		OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Addl Bond	
	15719	ANDERSON STATE #001	S	O-36-07S-32E	0	30-041-20024	0		CHAVEROO;SAN ANDRES	01/04		:
	13/13	ANDERSON STATE #002	S	J-36-07S-32E	J	30-041-20035	0	12049	CHAVEROO; SAN ANDRES	01/04		
		ANDERSON STATE #003	S	M-36-07S-32E	M	30-041-20042	0	12049	CHAVEROO; SAN ANDRES	01/04		
		ANDERSON STATE #004	S	G-36-07S-32E	G	30-041-20043	0	12049	CHAVEROO; SAN ANDRES	01/04		
		ANDERSON STATE #005	s	H-36-07S-32E	Н	30-041-20046	О	12049	CHAVEROO; SAN ANDRES	01/04		
		ANDERSON STATE #007	s	C-36-07S-32E	С	30-041-20051	O	12049	CHAVEROO; SAN ANDRES	01/04		
		ANDERSON STATE #008	S	B-36-07S-32E	В	30-041-20052	0	12049	CHAVEROO; SAN ANDRES	01/04		
		ANDERSON STATE #009	S	A-36-07S-32E	Α	30-041-20084	0	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	
	0332	BROWN 51 #002	F	F-19-09S-38E	F	30-025-21703	0	55480	SAWYER; SAN ANDRES (ASSOC)	06/01	\$7500	:
	1.500.5	CHAVEROO A STATE #001	s	4-31-07S-33E	М	30-041-10633	0	12049	CHAVEROO;SAN ANDRES	07/03		
	15775	CHAVEROO A STATE #002	·s	3-31-07S-33E	L	30-041-10668	o		CHAVEROO;SAN ANDRES	07/03		
				K-31-07S-33E	ĸ	30-041-10666	0		CHAVEROO;SAN ANDRES	01/04		\$
,	15982	CHAVEROO B #001	S		I	30-041-10669	0		CHAVEROO; SAN ANDRES	01/04		
		CHAVEROO B #002	S	I-31-07S-33E					•	01/04		
	15720	CWS #001	S	K-36-07S-32E	K	30-041-20090	0		CHAVEROO; SAN ANDRES	01/04		
		CWS #002	·S	N-36-07S-32E	N	30-041-20091	0		CHAVEROO;SAN ANDRES			;
	8533	FARRELL FEDERAL #001	F	M-28-07S-33E	M	30-041-10125	. 0		CHAVEROO;SAN ANDRES	07/03		**
		FARRELL FEDERAL #002	F	L-28-07S-33E	L	30-041-10212	Ο,		CHAVEROO;SAN ANDRES	07/03		•
		FARRELL FEDERAL #003	F	N-28-07S-33E	N	30-041-10252			CHAVEROO; SAN ANDRES	07/03		
		FARRELL FEDERAL #004	F	O-28-07S-33E	0	30-041-10253	0		CHAVEROO;SAN ANDRES	07/03		
		FARRELL FEDERAL #005	F	K-28-07S-33E	K	30-041-10240	0		CHAVEROO; SAN ANDRES	07/03 07/03		
		FARRELL FEDERAL #006	F	P-28-07S-33E	P	30-041-10411	0		CHAVEROO; SAN ANDRES	07/03		
		FARRELL FEDERAL #007	F	J-28-07S-33E	1	30-041-10423	0		CHAVEROO; SAN ANDRES	07/03		
		FARRELL FEDERAL #008	F	E-28-07S-33E	E	30-041-10440	0		CHAVEROO;SAN ANDRES CHAVEROO;SAN ANDRES	07/03		
		FARRELL FEDERAL #009	F	I-28-07S-33E F-28-07S-33E	I F	30-041-10441 30-041-10446	S		SWD:SAN ANDRES		\$5000 ¥	(
		FARRELL FEDERAL #010	F F	H-28-07S-33E		30-041-10440	0		CHAVEROO; SAN ANDRES	07/03	•	* *
		FARRELL FEDERAL #011	F	G-28-07S-33E	G	30-041-10460	0		CHAVEROO; SAN ANDRES	07/03		
		FARRELL FEDERAL #012	F	D-28-07S-33E	D	30-041-10431	0		CHAVEROO; SAN ANDRES	07/03		
		FARRELL FEDERAL #013 FARRELL FEDERAL #014	F	C-28-07S-33E	c	30-041-10432	. 0		CHAVEROO;SAN ANDRES	07/03		
		FARRELL FEDERAL #015	F	B-28-07S-33E	В	30-041-10433	o		CHAVEROO;SAN ANDRES	07/03		•
		FARRELL FEDERAL #016	F	A-28-07S-33E	A	30-041-10434	o		CHAVEROO;SAN ANDRES	07/03		
	,	FARRELL FEDERAL #017	F	A-28-07S-33E	A	30-041-20693			CHAVEROO;SAN ANDRES	07/03		
		FARRELL FEDERAL #018	F	B-28-07S-33E	В	30-041-20694	О	12049	CHAVEROO;SAN ANDRES	07/03		
		FARRELL FEDERAL #020	F	E-28-07S-33E	E	30-041-20696	0	12049	CHAVEROO;SAN ANDRES	07/03		
		FARRELL FEDERAL #021	F	I-28-07S-33E	I	30-041-20689	0	12049	CHAVEROO; SAN ANDRES	07/03		
		FARRELL FEDERAL #023	F	M-28-07S-33E	M	30-041-20698	0	12049	CHAVEROO; SAN ANDRES	07/03		
		FARRELL FEDERAL #024	F	N-28-07S-33E	N	30-041-20699	0	12049	CHAVEROO; SAN ANDRES	07/03		
	8534	FEDERAL 19 #001	F	O-19-07S-33E	0	30-041-20143	0	12049	CHAVEROO;SAN ANDRES	01/04		
		FEDERAL 19 #002	F	P-19-07S-33E	P	30-041-10236	o		CHAVEROO;SAN ANDRES	01/04		
			F	O-24-07S-32E	0	30-041-20107	0		CHAVEROO;SAN ANDRES	01/04		
		FEDERAL A #001		P-24-07S-32E	. P	30-041-20112	0		CHAVEROO; SAN ANDRES	01/04		
		FEDERAL A #002	F	J-24-07S-32E	J	30-041-20112	o		CHAVEROO; SAN ANDRES	01/04		
		FEDERAL A #003	F									•
		HUMBLE FEDERAL #001	F	F-25-07S-32E	F	30-041-20109	0		CHAVEROO, SAN ANDRES	01/04 01/04		1.00
		HUMBLE FEDERAL #002	F	E-25-07S-32E	E	30-041-20113	0		CHAVEROO; SAN ANDRES		\$5000 k	
		HUMBLE FEDERAL #005	F	B-26-07S-32E	В	30-041-20116	S		SWD;SAN ANDRES		#2000 ×	•
		HUMBLE FEDERAL #007	F	D-25-07S-32E	D	30-041-20118	0		CHAVEROO; SAN ANDRES	01/04 01/04		•
		HUMBLE FEDERAL #008	F	C-25-07S-32E	С	30-041-20119	0		CHAVEROO;SAN ANDRES			
		HUMBLE TUCKER #001	P	N-25-07S-32E	N	30-041-20058	0		CHAVEROO; SAN ANDRES	01/04		
		HUMBLE TUCKER #002	P	K-25-07S-32E	K	30-041-20059			CHAVEROO; SAN ANDRES	01/04		
		HUMBLE TUCKER #003	P	L-25-07S-32E	L	30-041-20095	. 0	12049	CHAVEROO;SAN ANDRES	01/04		Attachment C

•	HUMBLE TUCKER #004	P	M-25-07S-32E	M	30-041-20096	0	12049 CHAVEROO;SAN ANDRES	01/04	
15410	JAMES MCFARLAND #001	P	N-20-07S-33E	N	30-041-10474	0	12049 CHAVEROO;SAN ANDRES	06/03	
	JAMES MCFARLAND #002	P	M-20-07S-33E	M	30-041-10407	0	12049 CHAVEROO;SAN ANDRES	06/03	
	JAMES MCFARLAND #003	P	K-20-07S-33E	K	30-041-10483	0	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	0	30-041-10403	0	12049 CHAVEROO;SAN ANDRES	07/03	
	JAMES MCFARLAND A #002	P	P-20-07S-33E	P	30-041-10447	. 0	12049 CHAVEROO;SAN ANDRES	07/03	
-	JAMES MCFARLAND A #003	P	J-20-07S-33E	J	30-041-10484	0	12049 CHAVEROO;SAN ANDRES	07/03	
4	JAMES MCFARLAND A #004	P	I-20-07S-33E	I	30-041-10492	0	12049 CHAVEROO;SAN ANDRES	07/03	
15723	KMS #001	s	P-36-07S-32E	P	30-041-20033	0	12049 CHAVEROO; SAN ANDRES	01/04	
	KMS #002	S	I-36-07S-32E	I	30-041-20041	0	12049 CHAVEROO;SAN ANDRES	01/04	
	KMS #003	S	F-36-07S-32E	F	30-041-20045	0	12049 CHAVEROO;SAN ANDRES	01/04	•
	KMS #004	S	E-36-07S-32E	E	30-041-20053	0	12049 CHAVEROO;SAN ANDRES	01/04	
	KMS #005	S	D-36-07S-32E	D	30-041-20054	0	12049 CHAVEROO;SAN ANDRES	01/04	
8537	LINE STATE #001	S	2-16-08S-38E	G	30-041-20451	0	6880 BLUITT;SAN ANDRES (ASSOCIATED)	09/03	
8538	PARTIN 35 #001	P	B-35-07S-32E	В	30-041-20139	0	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	0	12049 CHAVEROO;SAN ANDRES	01/04	
14679	STATE BA #001	S	A-34-07S-35E	Α	30-041-10003	. 0	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	0	12049 CHAVEROO;SAN ANDRES	01/04	
	STATE CVB #002	S	O-31-07S-33E	0	30-041-10604	0	12049 CHAVEROO;SAN ANDRES	01/04	
	STATE CVB #003	S	J-31-07S-33E	J	30-041-10623	0	12049 CHAVEROO;SAN ANDRES	01/04	
15724	TUCKER #001	P	L-24-07S-32E	L	30-041-20141	0	12049 CHAVEROO;SAN ANDRES	10/03	
	TUCKER #002	P	P-23-07S-32E	P	30-041-20145	0	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	0	30-041-20152	0	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #002	₽	J-25-07S-32E	1	30-041-20160	0	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #003	P	G-25-07S-32E	G _.	30-041-20162	0	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #004	P	B-25-07S-32E	В	30-041-20166	0	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #005	P	A-25-07S-32E	A	30-041-20167	0	12049 CHAVEROO;SAN ANDRES	07/03	
*	TUCKER HALL #006	P	H-25-07S-32E	H	30-041-20759	0	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #007	P	I-25-07S-32E	1	30-041-20760	0	12049 CHAVEROO;SAN ANDRES	07/03	
	TUCKER HALL #008	P	P-25-07S-32E	P	30-041-20761	0	12049 CHAVEROO;SAN ANDRES	07/03	

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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

BLANKET CASH PLUG	GING BOND
Orbit Energy FNC (Name of Operator)	("OPERATOR"), a(n)
(Name of Operator)	, organized in the State of
(Individual, Partnership, Corporation, Limited Liability Company	, Etc.)
and authorized to do business in the Star 406 S. Ade C. 10 box 2//, Tq tu m, Nm Conservation Division of the Energy, Minerals and Natural Resou of New Mexico ("the DIVISION"), in the sum of Fifty Thousand	te of New Mexico, whose mailing address is , (2) is hereby firmly bound to the Oil res Department (or successor agency) of the State Dollars (\$50,000) upon the following conditions:
OPERATOR desires to drill, acquire, or assume operating gas, carbon dioxide gas, helium gas or brine minerals on land or owned fee land within the State of New Mexico.	
OPERATOR has deposited on behalf of the DIVISION with Wells Fare Dean ("FINANCIAL In subject to the terms of, the Assignment attached to this bond. Of that it or its successors or personal representatives will cause to be State of New Mexico now or hereafter owned or operated by it other beneficial purpose, in accordance with all applicable rules limited to Division Rules 101 [19.15.3.101 NMAC] and 202 [19.1 hereafter amended. If OPERATOR does not so properly plug and after notice and hearing, the total sum of this bond shall be forfeing Section 70-2-14.B, as amended. If the principal sum of this bound DIVISION in plugging and abandoning said wells in accordance rules or orders, OPERATOR, its successors, heirs or personal reproduction of the provided in said statutes, to recover same.	NSTITUTION") in the account indicated on, and PERATOR pledges this sum as financial assurance be properly plugged and abandoned all wells in the if dry, or when no longer productive or useful for a and orders of the DIVISION, including but not 15.4.202 NMAC], as the same now exist or may be a abandon said wells, upon order of the DIVISION ted to the DIVISION, as provided in NMSA 1978 bond is less than the actual cost incurred by the with Rules 101 and 202 and any other applicable resentatives, shall be liable under the provisions of
If OPERATOR or its successors, heirs, personal represer owned or operated by OPERATOR in the State of New Me accordance with all applicable rules and orders of the DIVISION and void, and the principal sum of the deposit securing this successors, heirs, or personal representatives.	xico to be properly plugged and abandoned in I, as above described, this obligation shall be null
Drhit Energy IN. Return to: PRINCIPAL By Signature VICTIONAL Title	Oil Conservation Division 1220 South Saint Francis Santa Fe, NM 87505

INDIVIDUAL ACKNOWLEDGMENT:	•	.*		
State of New Mexico County of			. • • • • • • • • • • • • • • • • • • •	
This instrument was acknowledge	d before	me on		, 20, by
(Individual Operator)	· .		·	
SEAL	•		Notary Public	<u> </u>
My Commission Expires:				
	٠			
ACKNOWLEDGMENT FOR PARTNERSHIP, C	ORPORATI	ON OR LIM	TED LIABILITY CO	OMAPNY:
State of New Mexico County of			0 /	
This instrument was acknowledged	before n	ne on D	April 6	, 20_ 0 %by
(Name of Signing person) (Name of Operator)	.a.	(Title		
SEAL				
My Commission Expires:				
Rendatolb	APPROV	ED BY:		
	Oil Cons	ervation Divi	sion of New Mexico	
OFFICIAL SEAL LINDA KOLB NOTARY PUBLIC - STATE OF NEW MEXICO	By	Tail 1	lar (her	h
My commission expires:	Date	Sfr. 6	. 2004	

Form O & G CBA Revised 1-1-03

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

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

7	P.O.
ORBITENERGY +NC. ("OPERATOR	") of 4068, Ave. C, box 3/1
TATUM, NEWMEHO	0 88267 (address) has deposited with
	m6750 (name of federally insured state or national
bank or savings association in the State of New Mexico) of	<u> </u>
	ANCIAL INSTITUTION), the sum of
Fifty thousand dollars (\$50,000) in Certificate of Depo	sit or Savings Account No. 329/00860/ (FUND).
To comply with NMSA 1978, Section 70-2-14, as ame	nded, 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:
	entire beneficial interest in the FUND, with the right to
order the FINANCIAL INSTITUTION in writing to distrit	ute the FUND to persons determined by the DIVISION
to be entitled thereto, including the DIVISION itself, in a	
consent by the OPERATOR. FINANCIAL INSTITU	
FINANCIAL INSTITUTION'S customer with respect to the	e FUND.
b. OPERATOR retains no legal or beneficial inter	rest in the FUND except the right to interest, if any,
thereon, and to return of the FUND upon written order of	
and abandonment in accordance with all rules and order	s of the DIVISION, of all wells in the State of New
Mexico for which this Assignment now or hereafter serves	
c. FINANCIAL INSTITUTION agrees that the I	UND may not be assigned, transferred, pledged or
distributed except upon written order of the DIVISION of	
DIVISION is a party. FINANCIAL INSTITUTION hereb	
set-off or recoupment against the FUND by reason of	
FINANCIAL INSTITUTION now existing or hereafter inc	
THANKSIAL HABITTO HOT CAUSING OF NOTOMERS INC.	univer-
d. OPERATOR agrees that FINANCIAL INST	TTUTION may deduct, solely from interest due
OPERATOR, any costs or attorney fees incurred by FII	
demand via writ, summons or other process made upon FI	
business. FINANCIAL INSTITUTION agrees that no suc	
the FUND prior to final release thereof to OPERATOR by	
771	
This agreement shall be governed by the laws of the State of New M	exico.
Arbit PNERSY INC	Kleus Fare of Thick
Operator	Financial Institution
D	
By: Thurs	By: Wills Kan
Signature of individual OPERATOR	Signature of Authorized Officer
or Authorized Officer	of FINANCIAL INSTITUTION
TOPS IDEA T	
Title	Title MAJAGER
4.1MY	a ite

<u>NOTE</u>: 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 ACKNOWL	EDGMENT:	· · · · · · · · · · · · · · · · · · ·				-		
State of New Mexico	60 mg	, e				· #		
County of					٠.	*		
This instrument	was acknowledged	before me	on			<u> </u>	·,	20 by
(Individual Operator)	*	•			* .	A Commence		
				Notary	Public		•	
SEAL			*	· · · · · · · · · · · · · · · · · · ·		*		
My Commission Expires:								
			***	• •				
	~ ~	CORPORAT			* * * * * * * * * * * * * * * * * * * *			
ACKNOWLEDGMENT FO	OR PARTNERSHIP,	CORPORAT	ION OR LI	MITED I	JABILI	I'Y COMPA	NY:	: 1
State of New Mexico:	20	eri i kan						1-1
		111		Q.	* *	21-00	1	•
This instrument was acknow	vledged before me on	<u>4-6</u>	2003 by_	PIC	Le	Person Sign	and	,
as flesiont	ت , of	Or	bit	CN		rerson sign		
(Capacity, e.g., Partner, F	resident, etc.)	(Name o	of Operator)	•	V	a		
(Partnership, Corporation or	Limited Liability Co	mpany)						egitet i en en
OFFICIAL SEA				*.*				,
	C-STATE OF NEW MEXI	00 00 00			D	nda	Koll	9
My commission expl	Ires:	<u> </u>			No	otary Public		
	\$	1. 1. 1. 1. 1.						
My Commission Expires:								
	*	4 4 24.				,		
FINANCIAL INSTITUION	ACKNOWLEDGMI	ENT:					e e e e e e e e e e e e e e e e e e e	
		e de la Companya de l						
State of New Mexico:								
County of Scarte: ? e								
This instrument was acknow	ledged before me on	4-6	200 Jby_	No	oto	6 ha	pe	2
/ / 	agelof U	veek	, 2	ara	2 (3)	me of Office 2006	cer)	-
(Title)	ageris	U COM	(Name of Fi	inanciali	nstitution	in /	1/	Ob
	•				- X	nda	Ro	X D
SEAL					. 140	tary Public		
My Commission Expires:								



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

BLAN.	KEI CASH PLUGGI	ING BOND
Orbit Energy IN	С.	("OPERATOR"), a(n)
Orbit Energy IN Corporation (Individual, Partnership, Corporation, Lim	e of Operator)	, organized in the State of
Texas and authorized to de 406 s. Ave C. fo box 3/1 Te Conservation Division of the Energy, Min	business in the State My My erals and Natural Resource	of New Mexico, whose mailing address is Ex 247 is hereby firmly bound to the Oils Department (or successor agency) of the State sand Dollars (\$40,000) upon the following
	ine minerals on land owner	of, wells to prospect for and/or produce oil or ad by the State of New Mexico or on privately
with <u>Vells Parso Bank</u> subject to the terms of, the Assignment at that it or its successors or personal representate of New Mexico now or hereafter of other beneficial purpose, in accordance with limited to Division Rules 101 [19.15.3.10] hereafter amended. If OPERATOR does after notice and hearing, the total sum of Section 70-2-14.B, as amended. If the DIVISION in plugging and abandoning strules or orders, OPERATOR, its successor	("FINANCIAL INST ached to this bond. OPEH entatives will cause to be p wned or operated by it if d with all applicable rules and I NMAC] and 202 [19.15.4] not so properly plug and ab- this bond shall be forfeited principal sum of this bond aid wells in accordance with rs, heirs or personal represe as amended (as applicable	te sum of Forty Thousand Dollars (\$40,000) TTUTION") in the account indicated on, and RATOR pledges this sum as financial assurance roperly plugged and abandoned all wells in the ry, or when no longer productive or useful for ad orders of the DIVISION, including but not 2.202 NMAC], as the same now exist or may be andon said wells, upon order of the DIVISION to the DIVISION, as provided in NMSA 1978 d is less than the actual cost incurred by the th Rules 101 and 202 and any other applicable entatives, shall be liable under the provisions of e), for such deficiency, and the DIVISION may
owned or operated by OPERATOR in accordance with all applicable rules and of and void, and the principal sum of the successors, heirs, or personal representative	the State of New Mexic orders of the DIVISION, a deposit securing this bon es.	ives or assigns cause all wells now or hereafter to to be properly plugged and abandoned in a above described, this obligation shall be null d shall be released to OPERATOR or to its
Orbit Energy IN PRINCIPAL By Signature Open In I	C. Return to:	Oil Conservation Division 1220 South Saint Francis Santa Fe, NM 87505
Title Title		•

INDIVIDUAL ACKNOWLEDGMENT:	
State of New Mexico County of Se	
This instrument was acknowledged	d before me on, 20, by
(Individual Operator)	
SEAL	Notary Public
My Commission Expires:	
ACKNOWLEDGMENT FOR PARTNERSHIP, CO State of New Mexico County of Partnership Person This instrument was acknowledged (Name of signing person) (Name of Operator)	before me on April (of (Title)
My Commission Expires:	
Londakolb	APPROVED BY: Oil Conservation Division of New Mexico By Jan Management
OFFICIAL SEAL LINDA KOLB NOTARY PUBLIC - STATE OF NEW MEXICO My commission expires:	Date 194. 6, 2004

Form O & G CBA Revised 1-1-03

OCD 773

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

ASSIGNMENT OF CASH COLLATERAL DEPOSIT

TATUM COPERATOR")	of 406 S. Ave (P.O Box 3/1.
TATUM, New MAXICO	
wells Farge Bun/2	(name of federally insured state or national
bank or savings association in the State of New Mexico) of 19 3-41 westing for the Square (Annual Squares) (FINANCE)	Jells rarge Bank
Forty thousand dollars (\$40,000) in Certificate of Deposit	or Savings Account No. 29/00864 (FUND).
To comply with NMSA 1978, Section 70-2-14, as amende interest in the FUND, except as herein otherwise provided, to the Oil Natural Resources Department (or successor agency) of the State of New	Conservation Division of the Energy, Minerals and
OPERATOR and FINANCIAL INSTITUTION agree that as to	the FUND:
a. The DIVISION acquires by this assignment the entir order the FINANCIAL INSTITUTION in writing to distribute to be entitled thereto, including the DIVISION itself, in amo consent by the OPERATOR. FINANCIAL INSTITUTION'S customer with respect to the FINANCIAL INSTITUTION'S customer with respect to the FINANCIAL INSTITUTION'S	the FUND to persons determined by the DIVISION unts determined by the DIVISION, without further DN hereby acknowledges that the DIVISION is
b. OPERATOR retains no legal or beneficial interest thereon, and to return of the FUND upon written order of the and abandonment in accordance with all rules and orders of Mexico for which this Assignment now or hereafter serves as f	DIVISION following final disposition, or plugging f the DIVISION, of all wells in the State of New
c. FINANCIAL INSTITUTION agrees that the FUN distributed except upon written order of the DIVISION or of DIVISION is a party. FINANCIAL INSTITUTION hereby w set-off or recoupment against the FUND by reason of an FINANCIAL INSTITUTION now existing or hereafter incurred.	a court order entered in a proceeding to which the raives all statutory or common law liens or rights of ty indebtedness or obligation of OPERATOR to
d. OPERATOR agrees that FINANCIAL INSTITUTION OPERATOR, any costs or attorney fees incurred by FINAN demand via writ, summons or other process made upon FINAN business. FINANCIAL INSTITUTION agrees that no such content the FUND prior to final release thereof to OPERATOR by the	NCIAL INSTITUTION by reason of any claim or NCIAL INSTITUTION arising from OPERATOR'S osts or fees shall be deducted from the principal of
This agreement shall be governed by the laws of the State of New Mexic	so.
Orbit Energy Inc	WELLS-FOR FOLK
Operator	Financial Institution
\mathcal{A}_{ℓ}	$M \circ () \sim$
By: Atalya of individual OPERATOR	By Ville
Signature of individual OPERATOR or Authorized Officer	Signature of Authorized Officer of FINANCIAL INSTITUTION
residen +	of Friday Clar Institution
Title	Title

<u>NOTE</u>: 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	bу
(Individual Operator)	
Notary Public	
SEAL	
My Commission Expires:	
ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY:	
State of New Mexico: County of:	
This instrument was acknowledged before me on 4-6, 2004 by Bluce Holland	
as president, of Orbit Energy Inc	
(Capacity, e.g., Partner, President etc.) (Name of Operator)	
(Partnership, Corporation or Limited Liability Company) OFFICIAL SEAL	
LINDA KOLB NOTARY PUBLIC - STATE OF NEW MEXICO Notary Public Notary Public Notary Public	
My commission expires: Notary Public SEAL	
My Commission Expires:	
6-6-07.20	
FINANCIAL INSTITUION ACKNOWLEDGMENT:	
State of New Mexico: County of Count	
This instrument was acknowledged before me on Y-6, 200 by Restor Lope 3	
O Mame of Officer)	
as Back Manager of Wells Largo Bank (Name of Financial Institution) (Name of Financial Institution) (Name of Financial Institution)	
SEAL Notary Public	
My Commission Expires:	
OFFICIAL SEAL	

