

STATE OF NEW MEXICO
ONE-WELL PLUGGING BOND

FOR CHAVES, EDDY, LEA, McKINLEY, RIO ARRIBA, ROOSEVELT,
SANDOVAL, AND SAN JUAN COUNTIES ONLY

BOND NO. 510E5648
(For Use of Surety Company)
AMOUNT OF BOND \$5,000.00
COUNTY Lea

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00*
For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$7,500.00*
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

* Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500.00 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet. (See Rule 101)

File with Oil Conservation Commission, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That B. BERNARD LANKFORD, AN INDIVIDUAL, (An individual) (a partnership)
(a corporation organized in the State of TEXAS, with its principal office in the city of
MIDLAND, State of TEXAS, and authorized to do business
in the State of New Mexico), as PRINCIPAL, and The Travelers Indemnity Company, a
corporation organized and existing under the laws of the State of Hartford, Conn.,
and authorized to do business in the State of New Mexico, as SURETY, are held firmly bound unto the State of New
Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Section 65-3-11, New
Mexico Statutes Annotated, 1953 Compilation, as amended, in the sum of Five Thousand and No/100 Dollars
Dollars lawful money of the United States, for the payment of which, well and truly to be made, said PRINCIPAL and
SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or
helium gas leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO₂) gas leases, or
helium gas leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private
individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or
may commence the drilling of one well not to exceed a depth of 3000 feet feet, to prospect for and produce oil
or gas, or carbon dioxide (CO₂) gas or helium gas, or does own or may acquire, own or operate such well, or such well
started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO₂) leases, or helium gas leases,
and on land patented by the United States of America to private individuals, and on land otherwise owned by private
individuals, the identification and location of said well being SE/4 of NW/4 F

(Here state exact legal subdivision by 40-acre tract or lot)

Section 2, Township 26 (North) (South), Range 37 (East) (West), N.M.P.M.
Lea County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall
plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Commission 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 them from escaping into other
strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said
obligations, the same shall remain in full force and effect.

Before the OCD
Case 13336
OCD Ex. 3

B. Bernard Lankford, Jr.
PRINCIPAL
P.O. Box 238, Midland, Texas 79702

By B. Bernard Lankford, Jr.
Address
Signature
Owner
Title

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

The Travelers Indemnity Company
SURETY
Hartford, Conn.

By J. L. Myers
Address
Attorney-in-Fact
Robert 111
Midland, Texas
79702

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF Texas
COUNTY OF Midland ss.

On this 30 day of December, 1977, before me personally appeared B. Bernard Lankford, Jr., 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.

1-31-79
My Commission expires

James L. Myers
Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF _____
COUNTY OF _____ ss.

On this _____ day of _____, 19____, before me personally appeared _____, to me personally known who, being by me duly sworn, did say that he is _____ of _____ 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 above written.

My Commission expires

Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF Texas
COUNTY OF Midland ss.

On this 30 day of December, 1978, before me appeared James L. Myers, to me personally known, who, being by me duly sworn, did say that he is attorney in fact of Midland, Texas 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 above written.

My Commission expires

(Note: Corporate surety attach power of attorney.)

1-31-79

James L. Myers
Notary Public

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By John D. Ramsey

The Travelers Indemnity Company

Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

____ J. L. Myers, Frances H. Puckett, both of Midland, Texas, EACH _____

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

____ Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof not exceeding in amount Two Hundred and Fifty Thousand Dollars (\$250,000) in any single instance _____

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 13. The Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, any Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

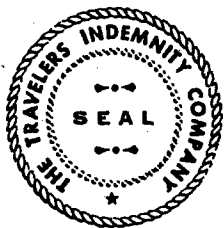
ARTICLE IV, SECTION 15. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by any Secretary or any Department Secretary or any Assistant Secretary or when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and countersigned and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent; and any such bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority granted by his or their power or powers of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

____ This power of attorney revokes that dated December 5, 1973 on behalf of J. L. Myers, Frances Mudd _____

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 12th day of August 19 75.



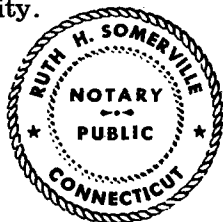
THE TRAVELERS INDEMNITY COMPANY

By

Secretary, Surety

State of Connecticut, County of Hartford—ss:

On this 12th day of August in the year 1975 before me personally came D. J. Nash to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



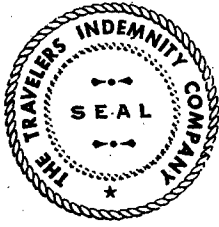
Notary Public
April 1, 1979

My commission expires

CERTIFICATION

I, John H. Hanks, Assistant Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY certify that the foregoing power of attorney, the above quoted Sections 13. and 15. of Article IV of the By-Laws and the Resolution of the Board of Directors of November 30, 1959 have not been abridged or revoked and are now in full force and effect.

Signed and Sealed at Hartford, Connecticut, this 30 day of December 19 77 .



John H. Hanks
Assistant Secretary, Surety

Memo

From

MELBA CARPENTER

To Lynn

We are carrying the operator of the well covered by the bond in the attached letter as Bernard Lankford, Jr. rather than B. Bernard Lankford.

Since we have always insisted that the principal on the bond and the operator of record correspond exactly, it would seem that we will either have to request a Form C-104 indicating a change in operating name, or you will need to request a rider changing the principal on the bond. Which do you prefer?

OIL CONSERVATION COMMISSION-HOBBS

Before the OCD
Case 13336
OCD Ex. 4