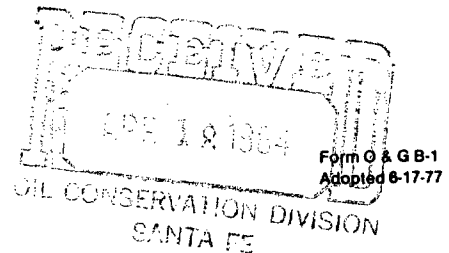


Shanley



STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

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

BOND NO. LSC 0464743  
(For Use of Surety Company)  
AMOUNT OF BOND \$7,500.00  
COUNTY Roosevelt  
Well: Harris 1-14

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 Shanley Petrogas, Inc., (An individual)(a partnership)  
(a corporation organized in the State of Texas, with its principal office in the city of  
Dallas, State of Texas, and authorized to do business  
in the State of New Mexico), as PRINCIPAL, and NORTHWESTERN NATIONAL INSURANCE COMPANY, a  
corporation organized and existing under the laws of the State of WISCONSIN,  
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 Seven Thousand Five Hundred 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 (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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 7,725 feet, to prospect for and produce oil  
or gas, or carbon dioxide (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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 \_\_\_\_\_

Unit B Section 14, Township 6 S. (Here state exact legal subdivision by 40-acre tract or lot)  
Roosevelt County, New Mexico. (North)(South), Range 33 E. (East)(West), N.M.P.M.

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 EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
OCD	EXHIBIT NO. <u>7</u>
CASE NO.	<u>12944</u>

for  
12-26-79

Shanley Petrogas, Inc.

PRINCIPAL  
9400 N. Central Expr., Ste. 313  
Dallas, TX 75231

NORTHWESTERN NATIONAL INSURANCE CO.

SURETY  
P.O. BOX 2070, MILWAUKEE WI 53201  
C/O BOX 47480, DALLAS, TEXAS 75247

By X Charles H. Moore  
Address  
Signature

By Harriet Mitchell  
Address  
Attorney-in Fact

Charles H. Moore, Title President

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

(Note: Corporate surety affix corporate seal here.)

#### ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

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

My Commission expires \_\_\_\_\_

#### ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF Texas )  
COUNTY OF Dallas ) ss.

On this 13th day of March April, 19 84, before me personally appeared Charles H. Moore, to me personally known who, being by me duly sworn, did say that he is President of Shanley Petrogas, Inc. 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.

X 4-27-87  
My Commission expires

Susan Beebe  
Notary Public

#### ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF TEXAS )  
COUNTY OF DALLAS ) ss.

On this 27 day of March, 19 84, before me appeared Harriet Mitchell, to me personally known, who, being by me duly sworn, did say that he is Attorney In Fact of Northwestern National Insurance Co. 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.

9/9/85  
My Commission expires

Anta Holloway  
Notary Public

(Note: Corporate surety attach power of attorney.)

APPROVED BY:

OIL CONSERVATION COMMISSION OF NEW MEXICO

By [Signature]  
Date \_\_\_\_\_



**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS That NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN, a Wisconsin stock insurance corporation, does make, constitute and appoint

NITA HOLLOWAY, ANNIE TUTT, JUDY TAYLOR, JANICE BELL, CATHERINE S. TEFL, ROBER RUTLEDGE, HARRIET MITCHELL, EACH OF DALLAS, TEXAS

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 or other written obligations in the nature thereof, as follows:

**ALL WRITTEN INSTRUMENTS**

and to bind NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This appointment is made under and by authority of the following provisions of the By-Laws of the company, which are now in full force and effect:

**Article II, Section 1.** The business and property of the company shall be managed and controlled by the board of directors.

**Article III, Section 1.** The board of directors may appoint additional officers and agents to perform such duties as may be assigned by the board of directors.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN on May 14, 1963:

RESOLVED that the president, any vice-president or assistant vice-president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any power of attorney previously granted to such person.

RESOLVED FURTHER that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the company

- (i) when signed by the president, any vice-president or assistant vice-president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or
- (ii) when signed by the president, any vice-president or assistant vice-president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
- (iii) when duly executed and sealed (if a seal be required) by one or more attorney-in-fact or agents pursuant to and within the limits of the authority evidenced by the power of attorney issued by the company to such person or persons.

RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company, and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 18TH day of JANUARY, 19 84.

  
Secretary



NORTHWESTERN NATIONAL INSURANCE COMPANY  
OF MILWAUKEE, WISCONSIN

  
Vice President

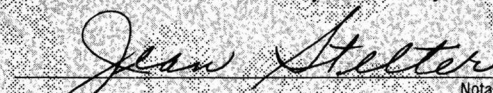
STATE OF WISCONSIN, COUNTY OF MILWAUKEE—ss

On this 18TH day of JANUARY, 19 84, personally came before me, DONALD L. BOWEN and

DUANE R. DuBOIS

to me known to be the individuals and officers of the NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN, who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say: that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.



  
Notary Public  
My Commission Expires 02/10/85

**CERTIFICATE**

I, the undersigned, assistant secretary of the NORTHWESTERN NATIONAL INSURANCE COMPANY OF MILWAUKEE, WISCONSIN, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the provisions of the By-Laws of the company and the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

Signed and sealed at the City of Milwaukee this 27 day of March, 19 84



  
Assistant Secretary

089-0020