

BEFORE EXAMINER STOGNER

OIL CONSERVATION DIVISION

OCD EXHIBIT NO. 6

STATE OF NEW MEXICO

ONE-WELL PLUGGING BOND

PAGE NO. 12949

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

Form O & G 3-1  
Adopted 6-17-77  
Revised 11-01-89

SB0040746

BOND NO.  
AMOUNT OF BOND \$10,000.00  
COUNTY Lea

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00\*  
For wells 5,000 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 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 5,500 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 Division, 2040 So. Pacheco, Santa Fe, NM 87505

KNOW ALL MEN BY THESE PRESENTS:

That SKYLINE ENERGY, L. L. C.  
Limited Liability Company (a corporation organized in the State of Texas), with its principal office in the city of Pearland, State of Texas, and authorized to do business in the State of New Mexico), as PRINCIPAL, and GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Pennsylvania, 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 Division of New Mexico pursuant to Section 70-2-12, New Mexico Statutes Annotated, 1978 Compilation, as amended, in the sum of TEN THOUSAND & NO/100--- 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 lease, or carbon dioxide (CO<sub>2</sub>) gas leases, or helium gas leases, or brine mineral 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, or brine mineral 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 12,000 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, or brine minerals, 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 being North 1/2 of Northeast quarter 660'N & 1986' E, Section 11, Township 12, Range 33, (East) (XXXX) (South)

(Here state exact legal footage description)  
Range 33 (East) (XXXX), N.M.P.M., Lea County, New Mexico.

NOW, THEREFORE, If the above bounden principal or 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 Division of New Mexico in such way as to confine the oil, gas, brine, 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.

SKYLINE ENERGY, L. L. C.

GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA

PRINCIPAL

SURETY

2301 Dublin Circle, Pearland TX

77581 436 Walnut Street, Philadelphia PA 19106

Address

Address

By

By

Signature

Attorney-In-Fact

Title

Patsy J. Lorimer

(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 Harris ) ss.

On this 30 day of January, 1997, before me personally appeared Donnie Jones, to me personally known who, being by me duly sworn, did say that he is President of Skylime Energy 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.

Notary Public

January 9, 2001  
My Commission Expires

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF MISSOURI )  
COUNTY OF PLATTE ) ss.

On this 29th day of January, 1997, before me appeared Patsy J. Lorimer, to me personally known, who, being by me duly sworn, did say that she is attorney-in-fact of General Accident Insurance Company of America 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.

Amelia L. Nutt

Notary Public

Notary Public - Notary Seal  
STATE OF MISSOURI

Platte County

My Commission Expires 9-25-99

September 25, 1999

My Commission Expires

(Note: Corporate surety attach power of attorney.)

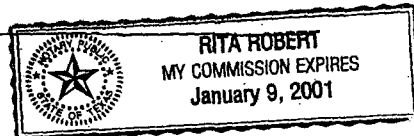
APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By:

Date:

3/17/97





# Power of Attorney

GA 0109734

## General Accident

Walnut Street, Philadelphia, PA 19106

WALL MEN BY THESE PRESENTS, that the GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA, a Pennsylvania corporation having its principal office in Philadelphia, Pennsylvania does hereby make, constitute and appoint J. Douglas Joyce, Patsy J. Lorimer, Kevin J. McGreevy, Jerome J. McDon, Eric Van Buskirk, Linda L. Nutti, all of Kansas City, State of Missouri, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver as surety for and on its behalf, and as its undeed any and all bonds and undertakings of suretyship, and to bind the GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA hereby as fully to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA and sealed and attested by one other of such officers, and hereby ratifies and confirms all its said Attorney(s)-in-Fact may do in pursuance hereof, provided that no bond or undertaking of suretyship executed under this authority shall exceed in amount the sum of: Twenty Five Million (25,000,000)

power of attorney is granted under and by authority of Subsection 5.1 (b) of Article V of the by-laws of GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA which became effective February 20, 1992 and which provisions are in full force and effect, reading as follows:

5.1(b) The Board of Directors or President, Vice President, or other officer designated by them or either of them shall have power to appoint Attorneys-in-Fact and to authorize them to execute on behalf of the Company bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and to attach the seal of the Company thereto; and shall also have the power to remove any such Attorney-in-Fact at any time and revoke the power and authority given to him. Any instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed by an Executive Officer, and sealed and attested by the Secretary.

power of attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the board of directors of GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA, at a meeting held on the 20th day of February, 1992, at which a quorum was present, and said resolution not been amended or repealed:

"Resolved, that in granting powers of attorney pursuant to subsection 5.1(b) of the by-laws of the Company the signature of such directors and officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

WITNESS WHEREOF, GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA has caused these presents to be signed by Dennis S. Perler, its President, and its corporate seal to be hereto affixed, this 31st day of October, 1996, GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA

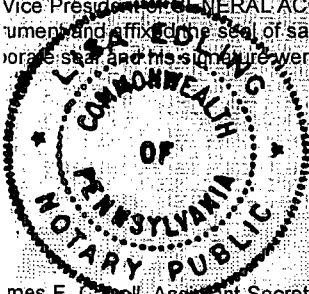


*Dennis S. Perler*

Dennis S. Perler, Vice President

Commonwealth of Pennsylvania  
Philadelphia County

this 31st day of October, 1996, personally appeared Dennis S. Perler to me known to be Vice President of GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto and that the seal affixed to said instrument is the corporate seal of said Company, that said corporate seal and his signature were duly affixed pursuant to the by-laws and a resolution of the board of directors of said Company.



NOTARIAL SEAL  
LISA EDLING, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires Nov. 18, 1996

*Lisa Edling*  
Notary Public in and for the Commonwealth of Pennsylvania

James E. Carroll, Assistant Secretary of the GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA, do hereby certify that the above and foregoing true and correct copy of a power of attorney executed by GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA, which is still in full force and effect, and that Article V, Subsection 5.1 (b) of the by-laws of the Company and the resolution set forth above are still in full force and effect.

WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 29th day of January, 1997.



*James E. Carroll*  
James E. Carroll, Assistant Secretary

Power of Attorney may not be used to execute any bond with an inception date after October 31, 1998