

COMPANY

Rocky Mt Resources

PROPERTY NAME

Barber Hills

WELL NO.

1

DATE

LOCATION (ULSTR)

7-11-20 2H 0

FOOTAGE

660 FS + 1980 FEL

API NO.

None

POOL

Wildcat

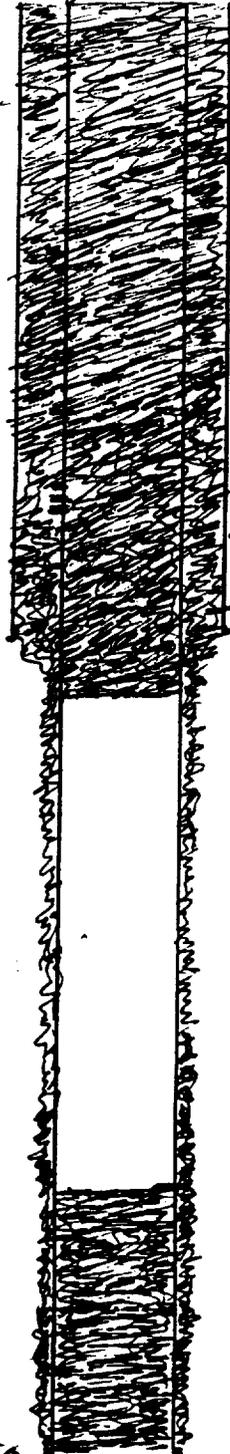
CASING RECORD:

10 3/4 c 817' 400sf/c

4 1/2 c 3077 480sf 50-50 POZ
class C TOC ENT 591

TD 3150

After



10 3/4 c
844 c

ENT TOC C
591 ENT
4 1/2 c

4 1/2 c 3090
TD 3150

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

GARY E. JOHNSON
GOVERNOR

JENNIFER SALISBURY
CABINET SECRETARY

December 10, 1996

Rand Carroll, Legal Bureau
Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

Re: Well Plugging, Rocky Mountain Resources Inc, Border Hills
State #1, Ut 0-17-11-20

Dear Rand;

We recommend the above captioned well be plugged to protect fresh
waters of the state of New Mexico, the environment and correlative
rights in the area.

Yours Truly



Tim Gum
District II Supervisor

TG:br

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY
CABINET SECRETARY

June 25, 1996

Rocky Mountain Resources Inc.
7409 S. Alton Court, Suite 210
Englewood, CO 80112

Re: Properly Abandoned Wells, Rocky Mountain Resources, Border Hills
State #1, Sec. 17-11-20, Ut O

Dear Sirs;

The state of New Mexico is in the process at this time of reviewing leases and determining the number of abandoned wells.

Rule 201 A. states the operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

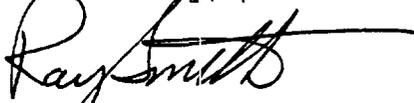
Rule 201 B. states a well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules with 90 days after (1) a 60 day period following suspension of drilling. (2) A determination that the well is no longer usable for beneficial purposes. (3) A period of 1 year in which a well has been continuously inactive.

House Bill 65 has been passed by the legislature and provides some tax incentives for wells put back in production. However, if there are no plans to put this well back in service then it needs to be either plugged or properly temporarily abandoned.

We have no record of this well being completed or temporarily abandoned in accordance with Rule 201 B.

Please forward to the NMOCDD Artesia office by August 1, 1996 a plan to bring this well into compliance with rule 201.

Yours Truly,



Ray Smith
Deputy Oil & Gas Inspector

Rocky Mountain Resources
Border Hills # 1
Sec. 7-11-20 Ut. 0

Plugging Procedure

1. Spot a 40 sx. plug at 3090' woc and tag plug.
2. Pull out of hole with tbq.
3. Perforate at 580'
4. Run in hole with tbq. to 894' and establish circulation.
5. Circulate cement ~~in~~ behind 4 1/2 csg. Close in surface valve on 4 1/2" csg and squeeze cement down behind pipe. Leave 4 1/2" csg. full.
6. Set P&A Marker.
7. Clean and level location.
8. Hole is to be loaded with mud between plugs @ 25 lbs per bbl of brine water.

ENERGY and MINERALS DEPARTMENT

Oil Conservation Division
811 South First St.
Artesia, New Mexico 88210

Fold at line over top of envelope to
the right of the return address

CERTIFIED

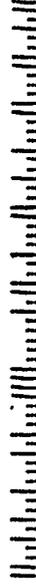
P 194 615 066

MAIL

FOE
1210KA

Rocky Mountain Resources Inc
7409 S. Alton Ct., Suite 210
Englewood, CO 80112

?



Rocky Mountain Resources, Inc.
7409 South Alton Court
Eglewood, Colorado 80112

\$7,500 One-Well Plugging Bond
United States Fidelity and
Guaranty Company, Surety
Bond No. 56-0130-13356-82-9

Approved: March 2, 1983



OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-7

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE	<input checked="" type="checkbox"/>	
FILE	<input checked="" type="checkbox"/>	
U.S.G.S.		
LAND OFFICE		
OPERATOR	<input checked="" type="checkbox"/>	

OCT 13 1982

O. C. D.

ARTESIA, OFFICE

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.

OIL WELL GAS WELL OTHER

1. Name of Operator
~~Terra of New Mexico, Inc.~~ *Rocky Mountain Resources, Inc.*

2. Address of Operator
7409 S. Alton Court, Suite 210, Englewood, CO 80112

3. Location of Well
UNIT LETTER 0 660 FEET FROM THE South LINE AND 1980 FEET FROM
East THE 17 LINE, SECTION 11S TOWNSHIP 20F RANGE 20F NMPM.

7. Unit Agreement Name

8. Farm or Lease Name
Border Hills State

9. Well No.
#1

10. Field and Pool, or Wildcat
Wildcat

15. Elevation (Show whether DF, RT, GR, etc.)
4782.8 GL

12. County
Lincoln

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING

TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT

PULL OR ALTER CASING OTHER CASING TEST AND CEMENT JOBS

OTHER Notification of change of operator

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1403.

Change of Operator from Terra of New Mexico, Inc. to Rocky Mountain Resources, Inc. because of company reorganization

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED *Lin Allen* TITLE Vice President DATE August 23, 1982

APPROVED BY _____ TITLE Original Signed By
Leslie A. Clements
Supervisor District II DATE JUN 02 1983

CONDITIONS OF APPROVAL, IF ANY:



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

September 3, 1982

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210
(505) 748-1283

Rocky Mountain Resources, Inc.
7409 South Alton Court, Suite 210
Englewood, Colorado 80112

Re: Border Hills State
#1-0-17-11S-20E
Lincoln County

Gentlemen:

We are returning your C-104 Forms dated August 23, 1982 so that you may show the Change in Ownership on Division Form C-103 as outlined in Rule 1103, paragraph B, item 9, since this well has not been completed.

Sincerely,

Les A. Clements
Les A. Clements
Supervisor, District II

LAC:mmm
attch.

ROCKY MOUNTAIN RESOURCES, INC.

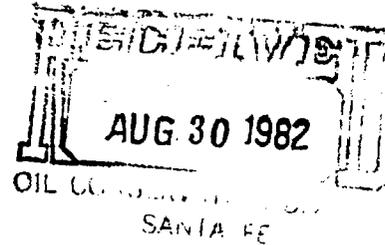
RECEIVED

SEP 3 1982

O. C. D.
ARTESIA, OFFICE

Artesia

August 24, 1982



Mr. Joe Ramey
State of New Mexico
Energy & Minerals Department
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

RE: Border Hills State #1
Lincoln County, New Mexico

Dear Mr. Ramey:

Enclosed please find Form C-104 which we have completed and signed.

As you recall during our conversation of August 19, it was decided that notification of the reorganization between Terra of New Mexico and Rocky Mountain Resources, Inc. was necessary, resulting in the submission of Form C-104.

Should you have any questions regarding the above-mentioned document, please feel free to contact the undersigned.

Very truly yours,

ROCKY MOUNTAIN RESOURCES, INC.

A handwritten signature in cursive script that reads "Kathy Dickson".

Kathy Dickson
Administrative Assistant

KD:kmd
Encl

DISTRIBUTION	
SANTA FE	/
FILE	/
U.S.G.S.	
LAND OFFICE	
OPERATOR	/

P. O. BOX 2088 RECEIVED
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 12-1-

JAN 8 1982

D. C. D.

3a. Indicate Type of Lease
State For

5. State Oil & Gas Lease No.
LG7565

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

OIL WELL GAS WELL OTHER

Name of Operator
Terra of New Mexico, Inc.

Address of Operator
7409 S. Alton Court, Suite 210, Englewood, CO 80120

Location of Well
UNIT LETTER 0 660 FEET FROM THE South LINE AND 1980 FEET FROM
THE East LINE, SECTION 17 TOWNSHIP 11S RANGE 20E NMPM.

7. Unit Agreement Name

8. Farm or Lease Name
Border Hills State

9. Well No.
#1

10. Field and Pool, or WhAcct
Wildcat

15. Elevation (Show whether DF, RT, CR, etc.)
4782.8 GL

12. County
Lincoln

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

FORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON
 CHANGE PLANS
 OTHER

REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS.
 CASING TEST AND CEMENT JOB
 PLUG AND ABANDONMENT
 OTHER

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded 14-3/4" hole 6:00 p.m. 12-17-81. Ran 22 jts. 10-3/4" 40.5# J55 API casing, set at 817'. Cemented with 400 sx. Pacesetter "C" 3% CaCl, plus 200 sx. "C" 3% CaCl. Plug down 6:45 p.m. 12-21-81. Cement circulated, circulated out 50 sx.

Ran 71 jts. 4-1/2" 10.5# J55 API new casing (3077.85'), set at 3090'. Top of float collar 3049'. Cemented with 480 sx. Class "C" 50/50 Poz with 1/4# Celloflake and 2% CaCl. Plug down at 12:54 a.m. 1-4-82.

WOC - 18 hours before dilling out. Pressure test at casing and BOP to 1500' PSI before drilling out.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
 _____ TITLE Agent DATE 1-5-82

APPROVED BY Mike Williams TITLE OIL AND GAS INSPECTOR DATE JAN 22 1982

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
DRAWER 10
ARTESIA, NEW MEXICO

FIELD REPORT FOR CEMENTING OF WELLS

Operator TERRA OF NEW MEXICO		Lease BORDER HILLS ST.		Well # 1	
Location of Well	Unit 6605 ABDE 0	Section 17	Township 11	Range 20	County LINCOLN
Drilling Contractor	HORIZON DRNG.		Type of Equipment ROTARY		
* WITNESS					
<u>APPROVED CASING PROGRAM</u>					
Size of Hole	Size of Casing	Weight Per Foot	New or Used	Depth	Sacks Cement
* 14 3/4"	10 3/4"	40.5 #		800'	350 S. circ
* 7 1/8"	5 1/2"	14.0 #		3200'	300 S. circ
Casing Data:					
Surface _____ joints of _____ inch _____ # Grade _____ (Approved) (Rejected)					
Inspected by _____ date _____					
Cementing Program					
Size of hole <u>14 3/4"</u> Size of Casing <u>10 3/4"</u> Sacks cement required <u>600</u>					
Type of Shoe used <u>Guide</u> Float collar used <u>inst</u> Btm 3 jts welded <u>Yes</u>					
ID of hole <u>817</u> Set <u>844'</u> Feet of <u>10 3/4</u> Inch <u>40.5 #</u> Grade <u>J-55</u>					
New-used csg. @ <u>817</u> with <u>200</u> sacks neat cement around shoe w/3% CaCl ₂ + <u>400</u> sax <u>PACSETER C</u> additives w/ 1/4% SK celloseal & 3% CaCl ₂ .					
Plug down @ <u>7:30</u> (AM) (PM) (PM) Date <u>12/21/81</u>					
Cement circulated <u>Yes</u> No. of Sacks <u>30 to the pit</u>					
Cemented by <u>Western</u> Witnessed by <u>Larry Brooks</u>					
Temp. Survey ran @ _____ (AM) (PM) Date _____ top cement @ _____					
Casing test @ _____ (AM) (PM) Date _____					
Method Used _____ Witnessed by _____					
Checked for shut off @ _____ (AM) (PM) Date _____					
Method used _____ Witnessed by _____					
Remarks: <u>LCR 215, 310 regained returns.</u>					

30-027-20009

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	X

NOV 12 1981

AMENDED REPORT

O. C. D.

ARTESIA, OFFICE

5A. Indicate Type of Lease
STATE FEE

5. Well No. & Lease No.
LG-7565

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL DEEPEN PLUG BACK

b. Type of Well
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
TERRA OF NEW MEXICO, INC. ✓

3. Address of Operator
7409 South Alton Court - Suite 210, Englewood, Colorado 80120

4. Location of well
UNIT LETTER 0 LOCATED 660 FEET FROM THE South LINE
AND 1990 FEET FROM THE East LINE OF SEC. 17 TWP. 11S RGE. 20E N.M.P.M.

7. Unit Agreement Name

8. Firm or Lease Name
Border Hills State

9. Well No.
#1

10. Field and Pool, or Wildcat
Wildcat

12. County
Lincoln

19. Proposed Depth
3200

19A. Formation
Permo/Pennsylvanian

20. Rotary or C.T.
Rotary

21. Elevations (show a feather D₄, R₁, etc.)
4782.8 GL

21A. Kind & Status Plug. Bond
Blanket bond

21B. Drilling Contractor
Sanders Petroleum

22. Approx. Date work will start
April 1, 1981

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4	10 3/4	40.50#	700'	Cmt w/65/35 Poz.	To circular
7 7/8	4 1/2	14.0#	3100'	3% CaCl followed by 150 sks Class C 3% CaCl	Both to surface.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 5-19-82
UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed [Signature] Title President Date November 9, 1981

(This space for State Use)

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE NOV 19 1981

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION

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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED 30-077-20009

FEB 25 1981

Form C-101
Revised 1-4-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
NM-LG-7565

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Terra of New Mexico, Inc. ✓

3. Address of Operator
900 Louisiana NE, #956C, Albuquerque, New Mexico 87110

4. Location of Well
UNIT LETTER 0 LOCATED 660 FEET FROM THE south LINE
AND 1980 FEET FROM THE east LINE OF SEC. 17 TWP. 11S RGE. 20E NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Border Hills State

9. Well No.
1

10. Field and Pool, or Wildcat
Wildcat

12. County
Lincoln

19. Proposed Depth
3200

19A. Formation
Permo-Pennsylvania

20. Rotary or C.T.
Rotary

21. Elevations (Show whether DF, RT, etc.)
4782.8 GL

21A. Kind & Status Plug. Bond
Blanket Bond ✓

21B. Drilling Contractor
Dell Construction

22. Approx. Date Work will start
April 1, 1981

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
13 3/8	10 3/4	40.50#	400'	150 sks. & 300 sks	To circulate.
7 7/8	5 1/2	14.0#	3200'	10/50 poz, 1.4	Both to surface yield @ 13.6 wgt.

Perkins ID-1
APE + DL Bond
4-17-

APPROVAL MADE FOR 180 DAYS
PERMIT EXPIRES 10-16-81
UNLESS DRILLING IS IN PROGRESS

A Series "900" Hydric blowout preventer will be used, hydraulic rams are used to shut-in the well with or without drill pipe in the hole.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed [Signature] Title Pres Date 2/23/81
(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT II DATE APR 16 1981

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

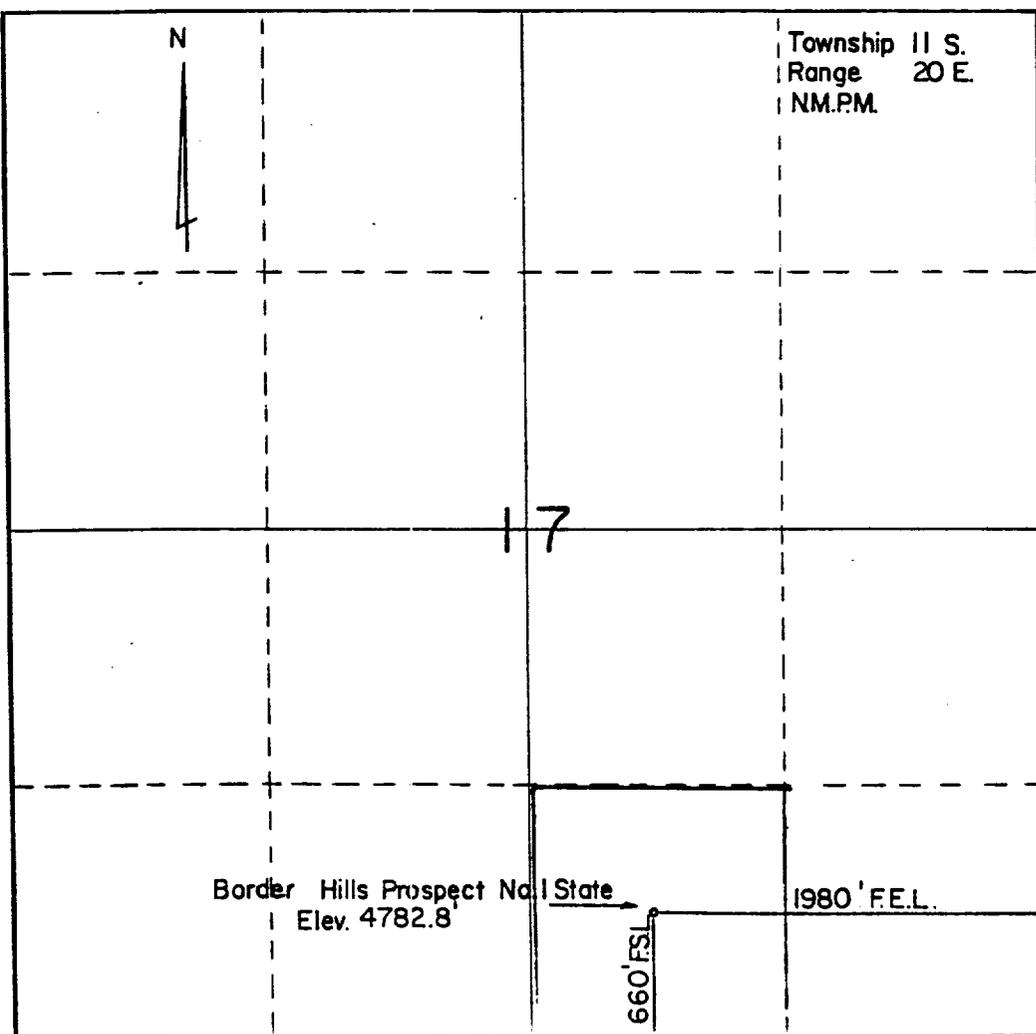
Operator Terra of New Mexico, Inc.		Lease Border Hills State		Well No. 1
Unit Letter 0	Section 17	Township 11-S	Range 20-E	County Lincoln
Actual Footage Location of Well: 1980 feet from the east line and 660 feet from the south line				
Ground Level Elev. 4782.8	Producing Formation Permo-Pennsylvania	Pool Wildcat	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

[Signature]
Name
James R. Forbes

Position
President

Company
Terra of New Mexico, Inc.

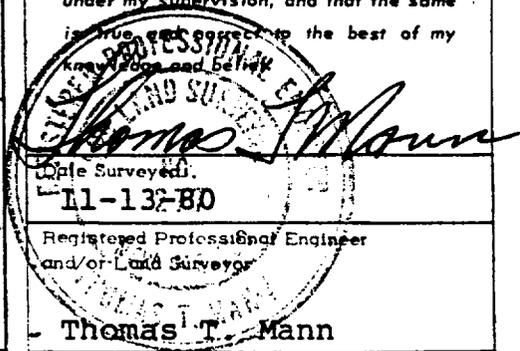
Date
March 3, 1981

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

[Signature]
Date Surveyed
11-13-80

Registered Professional Engineer and/or Land Surveyor

Thomas T. Mann



R.21 E

R.22 E

T.9 S

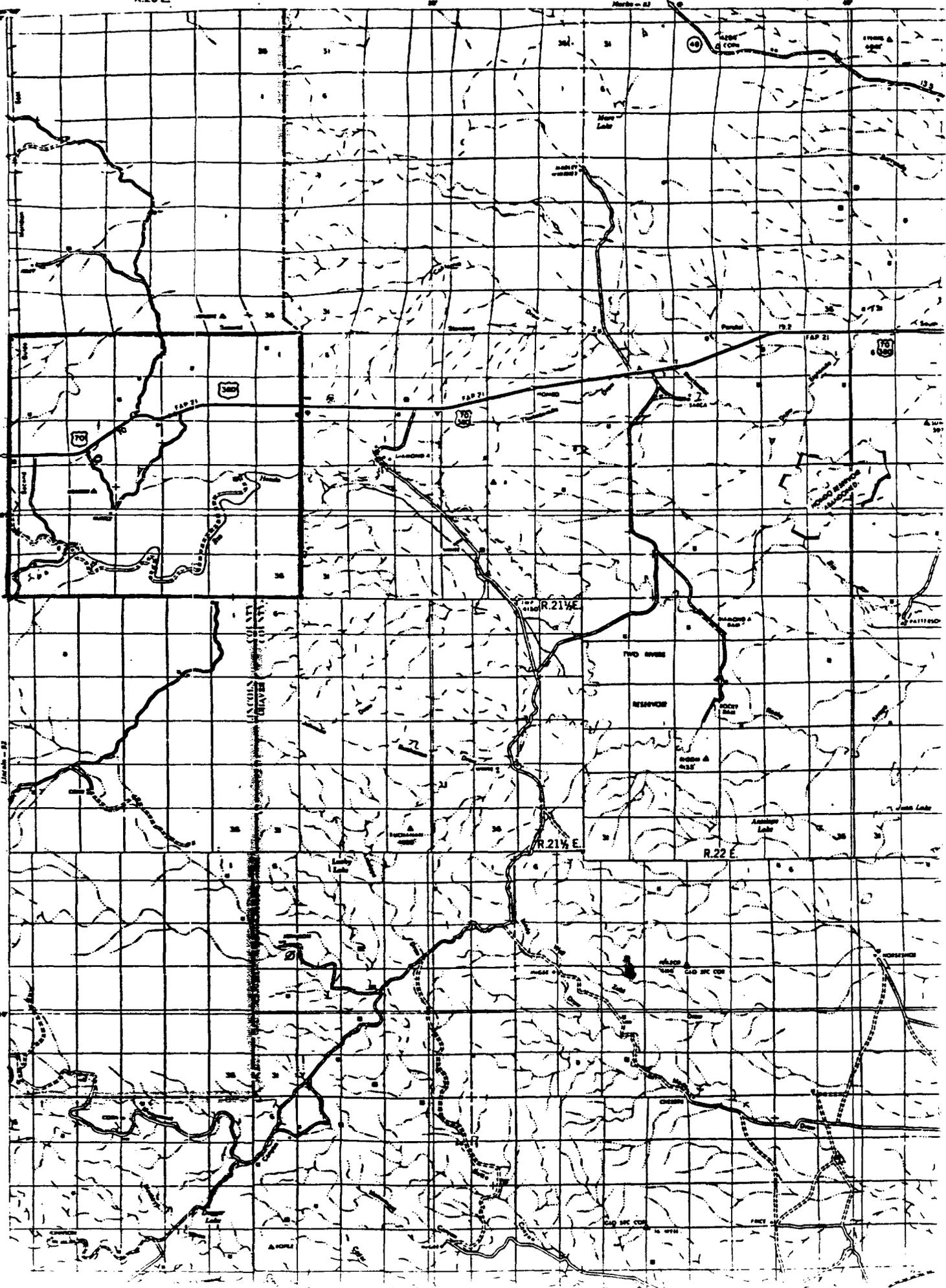
T.10 S

T.11 S

T.12 S

T.13 S

T.14 S



MAR - 2 1998

OIL CONSERVATION DIVISION



Surety Group - Claim

Martha E. Brune, Esq.
Sr. Surety Claim Specialist
Phone: 410-205-0486
FAX: 410-205-0298

February 25, 1998

Rand Carroll
Attorney for the New Mexico Oil Conservation Division
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

Re: Order Requiring Rocky Mountain Resources, Inc. to Properly Plug Its Boulder Hills State Well #1 - Located in Units 0 in Section 17, Township 11 South, Range 20 East, Lincoln County, NM
USF&G Bond No.: 56-0130-13356-82-9
Claim No.: 9901-209711-01-1

Dear Mr. Carroll:

Please be advised that I have received your letter dated February 13, 1998 regarding the referenced matter.

At this time, I would ask that you provide me with information and/or documentation regarding the following:

1. **documentation demonstrating that Rocky Mountain Resources, Inc. owns this particular well;**
2. **documentation demonstrating that it is a well covered by the bond;**
3. **all documentation demonstrating that the well should be plugged and abandoned.**

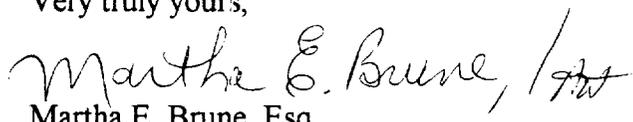
Further, all correspondence regarding this matter should be directed to my attention at the following address:

MARTHA E. BRUNE, ESQ.
USF&G
6225 CENTENNIAL WAY
MAIL CODE - LBO201
BALTIMORE, MD 21209

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>OCD</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>11942</u>	

Rand Carroll
February 24, 1998
Page 2

Very truly yours,


Martha E. Brune, Esq.

y/Rand

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



BRUCE KING
GOVERNOR

December 17, 1991



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

United States Fidelity and
Guaranty Co.
3500 N.W. 56th Street
Oklahoma City, Ok. 73112

Attention: Mark A. Gasaway

Re: \$7,500 One-Well Plugging Bond
Rocky Mountain Resources, Inc., Principal
United States Fidelity and Guaranty, Surety
660' FSL and 1980' FEL of Sec. 17,
T-11-S, R-20-E, Lincoln County
Bond No. 56-0130-13356-82-9

Dear Mr. Gasaway:

I am in receipt of your request for cancellation of the above-referenced one-well plugging bond. I have checked with our Artesia district office and they have advised me that there is no change in the status of the well covered by this bond and we cannot, therefore, cancel the bond at this time.

Sincerely,

A handwritten signature in cursive script that reads "Diane Richardson".

DIANE RICHARDSON
Administrator
Bond Department

UNITED STATES FIDELITY AND GUARANTY COMPANY

BALTIMORE, MARYLAND

CONSERVED IN DIVISION
RECEIVED

01 DEC 17 8 37 AM '91

Date 12-9-91

NOTICE OF CANCELATION

State of New Mexico
Energy Minerals & Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

You are hereby notified that the Bond or Policy described below is hereby canceled in accordance with its terms and conditions.

Said cancellation is effective as of 12-15 19 91

United States Fidelity and Guaranty Company

By *Mark Gasaway*
Mark Gasaway Attorney-in-Fact

Number	56-0130-13356-82-9		Principal (Surety) or Insured (Fidelity) and Address
Agent (Name and Address)	Swartz & Assoc, Inc. Pawhuska, Ok		Rocky Mountain Resources, Inc. 7409 S. Alton Court, Suite 210 Englewood, Ca 80112
Premium Period	From	To	Obligee (Surety) and/or Kind of Bond or Policy
	12-15-90	12-15-91	State of New Mexico
U. S. F. & G. Office	3500 N. W. 56th Oklahoma City, Ok 73112		660' FSL and 1980' FEL of Sec 17. T11S, R-20E, Lincoln Co. Dept. 5,000. ft one plugging bond well

Remarks:

PLEASE ACKNOWLEDGE RECEIPT OF CANCELATION NOTICE



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

GARREY CARRUTHERS
GOVERNOR

December 3, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

United States Fidelity and
Guaranty Co.
3500 N.W. 56th Street
Oklahoma City, Ok. 73112

Attention: Mark A. Gasaway

Re: \$7,500 One-Well Plugging Bond
Rocky Mountain Resources Inc., Principal
Unites States Fidelity & Guaranty, Surety
660' FSL and 1980' FEL of Sec. 17,
T-11-S, R-20-E, Lincoln County
Bond No. 56-0130-13356-82-9

Dear Mr. Gasaway:

I am in receipt of your request for cancellation of the above-referenced single well plugging bond. I have checked with our Artesia district office and they have advised me that there is no change in the status of the well covered by this bond and we cannot, therefore, cancel the bond at this time.

Sincerely,

DIANE RICHARDSON
Administrator
Bond Department

~~Cancel~~
Do not
Cancel
Date
12-12-91
no change

UNITED STATES FIDELITY AND GUARANTY COMPANY

BALTIMORE, MARYLAND

NOTICE OF CANCELATION

Date November 20, 19 90

TO: State of New Mexico
 Oil Conservation Commission
 P. O. Box 2088
 Santa Fe, NM 87501

You are hereby notified that the Bond or Policy described below is hereby canceled in accordance with its terms and conditions.

Said cancellation is effective as of December 20, 19 90.

United States Fidelity and Guaranty Company

By Mark A. Gasaway
 Mark A. Gasaway Attorney-in-Fact

Number	56-0130-13356-82-9		Principal (Surety) or Insured (Fidelity) and Address
Agent (Name and Address)	Freiburger, McBride, Goff, Inc. dba Howard Insurance Agency Pawhuska, OK		Rocky Mountain Resources, Inc. 7409 S. Alton Court, Suite 210 Englewood, CA 80112
Premium Period	From 12/15/89	To 12/15/90	Obligee (Surety) and/or Kind of Bond or Policy
U. S. F. & G. Office	3500 N.W. 56th Street Oklahoma City, OK 73112		State of New Mexico One Well Plugging Bond Lincoln County, NM

*DO NOT
 CANCEL
 11-30-90*

Remarks: Please acknowledge receipt of this cancellation notice.



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

GARREY CARRUTHERS
GOVERNOR

November 16, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

United States Fidelity and
Guaranty Co.
3500 N.W. 56th Street
Oklahoma City, Ok. 73112

Attention: Connie J. Leverich

Re: \$7,500 One-Well Plugging Bond
Rocky Mountain Resources Inc., Principal
United States Fidelity and Guaranty
Company, Surety
660' FSL and 1980' FEL of Sec. 17,
T-11-S, R-20-E, Lincoln County
Bond No. 56-0130-13356-82-9

Dear Ms. Leverich:

I am in receipt of your request for cancellation of the above-referenced plugging bond. Our Artesia district office has advised me that the well covered by this bond has not been plugged and abandoned nor transferred to another bonded operator. We cannot, therefore, cancel this bond.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Diane Richardson".

DIANE RICHARDSON
Administrator
Bond Department

UNITED STATES FIDELITY AND GUARANTY COMPANY

BALTIMORE, MARYLAND

NOTICE OF CANCELATION

Date November 13, 1989



89 NOV 16 AM 9 02

TO: State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, NM 87501

You are hereby notified that the Bond or Policy described below is hereby canceled in accordance with its terms and conditions.

Said cancellation is effective as of December 15, 1989

United States Fidelity and Guaranty Company

By Connie J. LeVerich
Attorney-in-Fact

Number	56-0130-13356-82-9		Principal (Surety) or Insured (Fidelity) and Address
Agent (Name and Address)	Freiburger, McBride, Goff, Inc. Pawhuska, OK		Rocky Mountain Resources, Inc. 7409 S. Alton Court, Suite 210 Englewood, CA 80112
Premium Period	From 12-15-88	To 12-15-89	Obligee (Surety) and/or Kind of Bond or Policy
U. S. F. & G. Office	3500 N.W. 56th Oklahoma City, OK 73112		State of New Mexico One Well Plugging Bond Lincoln County, NM

Remarks:

PLEASE ACKNOWLEDGE RECEIPT OF THIS CANCELATION NOTICE.

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



TONEY ANAYA
GOVERNOR

November 21, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

*Do not
cancel
Carmen
11-16-89*

United States Fidelity and
Guaranty Co.
3500 N.W. 56th Street
Oklahoma City, Ok. 73112

Attention: Connie J. Leverich

Re: \$7,500 One-Well Plugging Bond
Rocky Mountain Resources, Inc., Principal
United States Fidelity and Guaranty
Company, Surety; 660' FSL and 1980' FEL of
Sec. 17, T-11-S, R-20-E, Depth: 5,000 feet
Lincoln County; Bond No. 56-0130-13356-82-9

Dear Ms. Leverich:

I am in receipt of your request for cancellation of the above-referenced plugging bond. Our Artesia district office has advised me that there is no change in the status of the well covered by this bond. We cannot, therefore, cancel this bond at this time.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Diane Richardson".

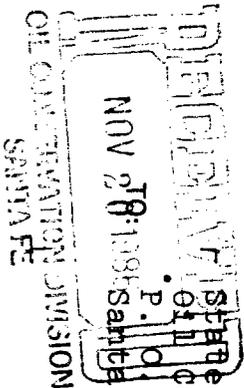
DIANE RICHARDSON
Administrator
Bonding Department

UNITED STATES FIDELITY AND GUARANTY COMPANY

BALTIMORE, MARYLAND

NOTICE OF CANCELATION

Date 11-18 1986



State of New Mexico
Department of Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

You are hereby notified that the Bond or Policy described below is hereby canceled in accordance with its terms and conditions.
Said cancellation is effective as of 12-18 1986

By Connie J. Lever
United States Fidelity and Guaranty Company
Connie J. Lever Attorney-in-Fact

Number	56-0130-13356-82-9		Principal (Surety) or Insured (Fidelity) and Address Rocky Mountain Resources, Inc. 7409 South Alton Court, Suite 210 Englewood, California 80112
Agent (Name and Address)	Freiburger, McBride, Goff, Inc., dba Howard Ins Acy Pawhuska, Ok		
Premium Period	From <u>12-15-85</u> To <u>12-15-86</u>	Obligee (Surety) and/or Kind of Bond or Policy State of New Mexico	
U.S.F.&G. Office	3500 N. W. 56th Oklahoma City, Ok 73112 One well plugging bond Lincoln County, NM		

Remarks: Please acknowledge receipt of cancellation notice



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

October 18, 1984

TONEY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

United States Fidelity and Guaranty Co.
3500 N.W. 56th Street
Oklahoma City, Ok. 73112

Attention: Connie J. Leverich

Re: \$7,500 One-Well Plugging Bond
Rocky Mountain Resources, Inc., Principal
United States Fidelity and Guaranty
Company, Surety; 660' FSL and 1980' FEL
of Sec. 17, T-11-S, R-20-E, Depth: 5,000 ft., *Lincoln County*
Bond No. 56-0130-13356-82-9

Dear Ms. Leverich:

We are in receipt of your request for cancellation of the above-captioned one-well plugging bond. Our Artesia district office has advised me that the well covered by this bond has not been plugged and abandoned nor transferred to another bonded operator. We cannot, therefore, cancel this bond at this time.

If you have any questions, please feel free to contact me.

Sincerely,

DIANE RICHARDSON
Administrative Secretary

dr/

cc: Rocky Mountain Resources Inc.

UNITED STATES FIDELITY AND GUARANTY COMPANY

BALTIMORE, MARYLAND

NOTICE OF CANCELLATION

Date Oct. 16, 19 84

TO: State of New Mexico
 Oil Conservation Commission
 P. O. Box 2088
 Santa Fe, NM 87501

You are hereby notified that the Bond or Policy described below is hereby canceled in accordance with its terms and conditions.

Said cancellation is effective as of November 16, 19 84

United States Fidelity and Guaranty Company

By Connie J. Levegrich Attorney-in-Fact
 Connie J. Levegrich,

Number	56-0130-13356-82-9		Principal (Surety) or Insured (Fidelity) and Address
Agent (Name and Address)	Howard Ins. Agency, Inc. Pawhuska, OK		Rocky Mountain Resources, Inc. 7409 South Alton Court, Suite 210 Englewood, CA 80112
Premium Period	From 12/15/83	To 12/15/84	Obligee (Surety) and/or Kind of Bond or Policy
U. S. F. & G. Office	United States Fidelity and Guaranty Company 3500 N. W. 56th Street Oklahoma City, OK 73112		One Well Plugging Bond, Lincoln County, New Mexico

Remarks: Please acknowledge receipt of notice of cancellation.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

March 2, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Howard Insurance Agency Inc.
204 E. Main Street
Pawhuska, Oklahoma 74056

Attention: Levina Reynolds

Re: \$7,500 One-Well Plugging Bond
Rocky Mountain Resources, Inc.,
Principal; United States Fidelity
and Guaranty Company, Surety;
660' FSL and 1980' FEL of Sec. 17,
T-11-S, R-20-E, Depth: 5,000 feet
Bond No. 56-0130-13356-82-9

Gentlemen:

The Oil Conservation Division hereby approves the
above-referenced one-well plugging bond effective this
date.

Sincerely,

JOE D. RAMEY
Director

fd/

cc: Oil Conservation Division
Artesia, New Mexico

Rocky Mountain Resources, Inc.
7409 South Alton Ct.
Englewood, Colorado 80112

From

Howard Insurance Agency Inc.

204 E. Main Street
Pawhuska, Oklahoma 74056



PLEASE RETURN THIS
MESSAGE REPLY
◆◆◆◆ TO

To

STATE OF NEW MEXICO ATTN: FLORENE DAVIDSON
ENERGY AND MINERAL DEPARTMENT
OIL CONSERVATION DIVISION
P.O. Box 2088, State Land Off. Build
Santa Fe, New Mexico 87501

DATE
February 26, 1983
SUBJECT

Message

Dear Ms. Davidson,

Enclosed is copy of bond and our general power of attorney to attach to the main bond, which we sent to you. Sorry for this inconvenience. Thank you, very much for taking care of all of this for ROCKY MOUNTAIN RESOURCES, INC. Any thing else we need to do just let us or client know. Thank you.

LEVINA REYNOLDS
FOR: HOWARD INSURANCE AGENCY, INC.

Sincerely,

Levinia Reynolds
SIGNED

Reply

COPY OF YOUR LETTER ENCLOSED DATED AS OF 2-24-83

DATE _____

SIGNED

ADDRESSEE FOLD MARKS

ADDRESSEE--RETURN WHITE COPY



B 28 1983

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

February 24, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Howard Insurance Agency Inc.
204 E. Main St.
Pawhuska, Oklahoma 74056

Re: \$7,500 One-Well Plugging Bond
Rocky Mountain Resources, Inc.
Principal, United States
Fidelity and Guaranty Company,
Surety; 560' FSL and 1980' FEL,
Lincoln County, Depth: 5,000'
Bond No. 56-0130-13356-82-9

Gentlemen:

I am in receipt of the above-referenced plugging bond for Rocky Mountain Resources, Inc. Before I can approve this bond, it will be necessary for you to send a power-of-attorney to this office.

Just as soon as I receive this power-of-attorney, I will proceed with the approval of this bond and the cancellation of the \$50,000 blanket plugging bond for Terra of New Mexico, Inc.

Sincerely,

Florene Davidson

Florene Davidson
Staff Specialist

fd/

GENERAL POWER OF ATTORNEY

No. 89251

Know all Men by these Presents:

That UNITED STATES FIDELITY AND GUARANTY COMPANY, a corporation organized and existing under the laws of the State of Maryland, and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint

William L. Johnson

of the City of Pawhuska, State of Oklahoma, its true and lawful attorney in and for the State of Oklahoma

for the following purposes, to wit:

To sign its name as surety to, and to execute, seal and acknowledge any and all bonds, and to respectively do and perform any and all acts and things set forth in the resolution of the Board of Directors of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, a certified copy of which is hereto annexed and made a part of this Power of Attorney; and the said UNITED STATES FIDELITY AND GUARANTY COMPANY, through us, its Board of Directors, hereby ratifies and confirms all and whatsoever the said

William L. Johnson

may lawfully do in the premises by virtue of these presents.

In Witness Whereof, the said UNITED STATES FIDELITY AND GUARANTY COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice-President and Assistant Secretary, this 19th day of January, A. D. 1979

UNITED STATES FIDELITY AND GUARANTY COMPANY.

(Signed) Bertram W. Sealy, Jr. Vice-President

(SEAL) (Signed) W. B. M. Hingeley Assistant Secretary

STATE OF MARYLAND, BALTIMORE CITY, ss:

On this 19th day of January, A. D. 1979, before me personally came Bertram W. Sealy, Jr., Vice-President of the UNITED STATES FIDELITY AND GUARANTY COMPANY and W. B. M. Hingeley, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said that they, the said Bertram W. Sealy, Jr. and W. B. M. Hingeley were respectively the Vice-President and the Assistant Secretary of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so fixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice-President and Assistant Secretary, respectively, of the Company.

My commission expires the first day in July, A. D. 1982

(SEAL) (Signed) Margaret M. Hurst Notary Public

STATE OF MARYLAND BALTIMORE CITY, } Sgt.

I, William Allen, Clerk of the Superior Court of Baltimore City, which Court is a Court of Record, and has a seal, do hereby certify that Margaret M. Hurst, Esquire, before whom the annexed affidavits were made, and who has thereto subscribed his name, was at the time of so doing a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and sworn and authorized by law to administer oaths and take acknowledgments, or proof of deeds to be recorded therein. I further certify that I am acquainted with the handwriting of the said Notary, and verily believe the signature to be his genuine signature.

In Testimony Whereof, I hereto set my hand and affix the seal of the Superior Court of Baltimore City, the same being a Court of Record, this 19th day of January, A. D. 1979

(SEAL) (Signed) William Allen Clerk of the Superior Court of Baltimore City

That Whereas, it is necessary for the effectual transaction of business that this Company appoint agents and attorneys with power and authority to act for it and in its name in States other than Maryland, and in the Territories of the United States and in the Provinces of the Dominion of Canada and in the Colony of Newfoundland.

Therefore, be it Resolved, that this Company do, and it hereby does, authorize and empower its President or either of its Vice-Presidents in conjunction with its Secretary or one of its Assistant Secretaries, under its corporate seal, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of said Company, in its name and as its act, to execute and deliver any and all contracts guaranteeing the fidelity of persons holding positions of public or private trust, guaranteeing the performances of contracts other than insurance policies and executing or guaranteeing bonds and undertakings, required or permitted in all actions or proceedings, or by law allowed, and

Also, in its name and as its attorney or attorneys-in-fact, or agent or agents to execute and guarantee the conditions of any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of either of the same, which are or may by law, municipal or otherwise, or by any Statute of the United States or of any State or Territory of the United States or of the Provinces of the Dominion of Canada or of the Colony of Newfoundland, or by the rules, regulations, orders, customs, practice or discretion of any board, body, organization, office or officer, local, municipal or otherwise, be allowed, required or permitted to be executed, made, taken, given, tendered, accepted, filed or recorded for the security or protection of, by or for any person or persons, corporation, body, office, interest, municipality or other association or organization whatsoever, in any and all capacities whatsoever, conditioned for the doing or not doing of anything or any conditions which may be provided for in any such bond, recognizance, obligation, stipulation, or undertaking, or anything in the nature of either of the same.

George W. Lennon, Jr., an Assistant Secretary of the UNITED STATES FIDELITY AND GUARANTY COMPANY, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney given by said Company to

William L. Johnson

of Pawhuska, Oklahoma, authorizing and empowering him to sign bonds as therein set forth, which power of attorney has never been revoked and is still in full force and effect.

And I do further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company, duly called and held at the office of the Company in the City of Baltimore, on the 11th day of July, 1910, at which meeting a quorum of the Board of Directors was present, and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of said meeting.

In Testimony Whereof, I have hereunto set my hand and the seal of the UNITED STATES FIDELITY AND GUARANTY COMPANY on

(Date) December 15, 1982

George W. Johnson
Assistant Secretary

STATE OF NEW MEXICO

Revised 6-17-77

ONE-WELL PLUGGING BOND

FOR ALL COUNTIES EXCEPT:
CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,
SANDOVAL, AND SAN JUAN

BOND NO. 56-0130-13356-82-9
(For Use of Surety Company)

AMOUNT OF BOND \$7,500.00

COUNTY LINCOLN

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$7,500.00*
For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$10,000.00*
For wells more than 10,000 feet deep, the minimum bond is \$12,500.00

Under certain conditions, a well being drilled under a \$7,500 or \$10,000.00 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 \$7,500.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$10,000.00 bond may be permitted to go to 10,500 feet.

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

KNOW ALL MEN BY THESE PRESENTS:

That ROCKY MOUNTAIN RESOURCES, INC., (An individual) (a partnership) a corporation organized in the State of New Mexico, with its principal office in the city of Englewood, State of Colorado, and authorized to do business in the State of New Mexico), as PRINCIPAL, and _____, a corporation organized and existing under the laws of the State of _____, 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 Seventy-five hundred 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 5,000 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 660 feet from the SE and 1980 ft from
(Here state exact legal subdivision by 40-acre tract or lot)
East Line Section 17, Township 11 (North) (South), Range 20 (East) (West), N.M.P.M.
LINCOLN 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.

ROCKY MOUNTAIN RESOURCES, INC.
PRINCIPAL
7409 South Alton Ct - Englewood, CO 80112
Address

By [Signature]
Signature
Executive Vice President
Title

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

UNITED STATES FIDELITY AND GUARANTY COMPANY
SURETY
BALTIMORE, MARYLAND
Address

By [Signature]
Attorney-in-Fact
(William L. Johnson) HOWARD INSURANCE AGENCY,
INC. BOX 86.
Pawhuska, Okla 74056

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGMENT 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 _____

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF COLORADO)
COUNTY OF ARAPAHOE) ss.

On this 3rd day of November, 1982, before me personally appeared Lori Allen, to me personally known who, being by me duly sworn, did say that he is Executive Vice President of ROCKY MOUNTAIN RESOURCES, 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.

[Signature]
Notary Public

5-15-83
My Commission expires

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF Okla)
COUNTY OF Owage) ss.

On this 15th day of December, 1982, before me appeared William L. Johnson, to me personally known, who, being by me duly sworn, did say that he is ATTORNEY-IN-FACT of Baltimore, Maryland ~~UNITED STATES FIDELITY AND GUARANTY COMPANY~~ 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.

BY: [Signature]
Notary Public
(LEVINA REYNOLDS)

February 1, 1984.
My Commission expires _____
(Note: Corporate surety attach power of attorney.)

APPROVED BY:
OIL CONSERVATION COMMISSION OF NEW MEXICO

By _____

Date _____



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

February 24, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Howard Insurance Agency Inc.
204 E. Main St.
Pawhuska, Oklahoma 74056

Re: \$7,500 One-Well Plugging Bond
Rocky Mountain Resources, Inc.
Principal, United States
Fidelity and Guaranty Company,
Surety; 660' FSL and 1980' FEL,
Lincoln County, Depth: 5,000'
Bond No. 56-0130-13356-82-9

Gentlemen:

I am in receipt of the above-referenced plugging bond for Rocky Mountain Resources, Inc. Before I can approve this bond, it will be necessary for you to send a power-of-attorney to this office.

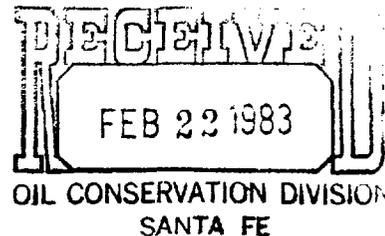
Just as soon as I receive this power-of-attorney, I will proceed with the approval of this bond and the cancellation of the \$50,000 blanket plugging bond for Terra of New Mexico, Inc.

Sincerely,

Florene Davidson
Staff Specialist

fd/

ROCKY MOUNTAIN RESOURCES, INC.



February 16, 1983

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: One Well Plugging Bond

Gentlemen:

Enclosed please find the \$7,500 plugging bond received of Howard Insurance Agency, Inc.

We request that release of the previous bond issued be sent to Howard Insurance Agency that they may forward said release to the bonding company.

Should you have any questions regarding the above mentioned document, please feel free to contact the undersigned.

Very truly yours,

ROCKY MOUNTAIN RESOURCES, INC.

A handwritten signature in cursive script that reads "Kathy Dickson".

Kathy Dickson
Administrative Assistant

KD
Encls.

from

Howard Insurance Agency Inc.

204 E. Main Street

Pawhuska, Oklahoma 74056

918-287-4887



PLEASE RETURN THIS MESSAGE REPLY
◆◆◆◆ TO

To

OIL CONSERVATION COMMISSION
P.O. Box 2088
Santa Fe New Mexico
87501

DATE
February 10, 1983
SUBJECT

Message

Dear Sir,

Enclosed is a \$7,500.00 One well plugging bond for Rocky Mountain Resources, Inc. to take place of State or Nationwide Oil & gas bond in amount of \$25,000.00 under name of TERRA OF NEW MEXICO, INC. We need a release of the \$25,000.00 also to send to our bonding company, UNITED STATES FIDELITY AND GUARANTY COMPANY. I am sorry for this late date in sending the bond, as we had to get the bonding company ok on doing and replacing this bond with new one. Please accept and know that Rocky Mountain Resources, Inc. is covered on bond as of that date. We will accept current date or back date for release of State or Nationwide bond, amount of \$25,000.00 as long as we get a letter of release. SIGNED

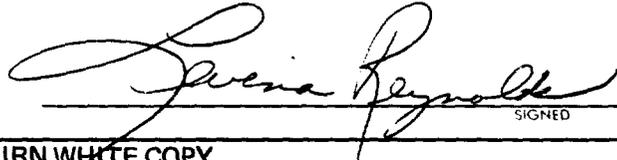
Reply

Any questions don't hesitate to write or call us. If we ~~need~~ to do anything else just let us know. Thank you.

LEVINA REYNOLDS

Sincerely,

FOR: HOWARD INSURANCE AGENCY, INC.



SIGNED

ADDRESSEE—RETURN WHITE COPY

ORIGINATOR FOLD MARKS

ADDRESSEE FOLD MARKS

STATE OF NEW MEXICO

Revised 6-17-77

ONE-WELL PLUGGING BOND

FOR ALL COUNTIES EXCEPT:
 CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,
 SANDOVAL, AND SAN JUAN

BOND NO. 56-0130-13356-82-9
 (For Use of Surety Company)

AMOUNT OF BOND \$7,500.00

COUNTY LINCOLN

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$7,500.00*
 For wells 5,000 feet to 10,000 feet deep, the minimum bond is \$10,000.00*
 For wells more than 10,000 feet deep, the minimum bond is \$12,500.00

*Under certain conditions, a well being drilled under a \$7,500 or \$10,000.00 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 \$7,500.00 bond may be permitted to go to 5,499 feet, and a well being drilled under a \$10,000.00 bond may be permitted to go to 10,500 feet.

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

KNOW ALL MEN BY THESE PRESENTS:

That ROCKY MOUNTAIN RESOURCES, INC., (An individual) (a partnership) (a corporation organized in the State of New Mexico, with its principal office in the city of Englewood, State of Colorado, and authorized to do business in the State of New Mexico), as PRINCIPAL, and _____, a corporation organized and existing under the laws of the State of _____, 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 Seventy-five hundred 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 5,000 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 660 feet from the SL and 1980 ft from
 (Here state exact legal subdivision by 40-acre tract or lot)
East Line Section 17, Township 11 (North) (South), Range 20 (East) (West), N.M.P.M.
LINCOLN 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.

ROCKY MOUNTAIN RESOURCES, INC.
PRINCIPAL
7409 South Alton Ct - Englewood, CO 80112
Address
By [Signature]
Signature
Executive Vice President
Title

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

UNITED STATES FIDELITY AND GUARANTY COMPANY
SURETY
BALTIMORE, MARYLAND
Address
By [Signature]
Attorney-in-Fact
(William L. Johnson) HOWARD INSURANCE AGENCY,
INC. BOX 86.
Pawhuska, Okla 74056

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGMENT 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.

My Commission expires _____ Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATION

STATE OF COLORADO)
COUNTY OF ARAPAHOE) ss.

On this 3rd day of November, 1982, before me personally appeared Lori Allen, to me personally known who, being by me duly sworn, did say that he is Executive Vice President of ROCKY MOUNTAIN RESOURCES, 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.

5-15-83
My Commission expires _____ Kathleen Kay Martin
Notary Public

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF Okla)
COUNTY OF Osage) ss.

On this 15th day of December, 1982, before me appeared William L. Johnson, to me personally known, who, being by me duly sworn, did say that he is ATTORNEY-IN-FACT of Baltimore, Maryland ~~UNITED STATES FIDELITY AND GUARANTY COMPANY~~ 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.

February 1, 1984.
My Commission expires _____ BY: [Signature]
Notary Public
(LEVINA REYNOLDS)

(Note: Corporate surety attach power of attorney.)

APPROVED BY:
OIL CONSERVATION COMMISSION OF NEW MEXICO
By [Signature]
Date March 2, 1983

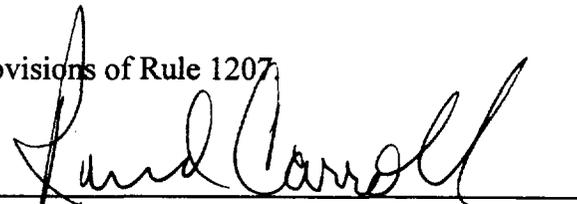
STATE OF NEW MEXICO ENERGY,
MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT II FOR AN ORDER REQUIRING ROCKY MOUNTAIN RESOURCES, INC. TO PROPERLY PLUG ITS BORDER HILLS STATE WELL NO. 1 LOCATED IN UNIT O OF SECTION 17, TOWNSHIP 11 SOUTH, RANGE 20 EAST, LINCOLN COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELL, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. 11942

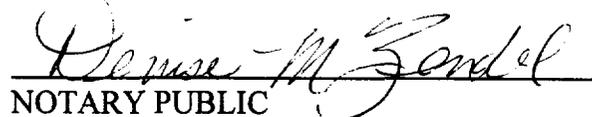
AFFIDAVIT REGARDING NOTICE

1. I am over the age of eighteen and have personal knowledge of the matters stated herein.
2. I am the attorney of record for Applicant.
3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by mailing them, by certified mail, a copy of the Application. Copies of the notice letter and certified return receipts are attached hereto.
5. Applicant has complied with the notice provisions of Rule 1207.



Rand Carroll

SUBSCRIBED AND SWORN TO before me this 4th day of March, 1998,
by Rand Carroll.


NOTARY PUBLIC

My commission expires:
1-6-2000

BEFORE EXAMINER CATANACH OIL CONSERVATION DIVISION OGD EXHIBIT NO. 11942 3 CASE NO. 11942

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
 - Restricted Delivery
- Consult postmaster for fee.

Thank you for using Return Receipt Service.

3. Article Addressed to:

United States Fidelity and Guaranty Co.
 PO Box 1138
 Baltimore, MD 21203

4a. Article Number

P 410 431 050

4b. Service Type

- Registered
- Certified
- Express Mail
- Insured
- Return Receipt for Merchandise
- COD

7. Date of Delivery

FEB 18 1998

5. Received By: (Print Name)

Signature: (Addressee or Agent)

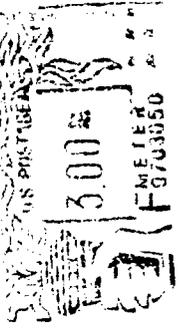
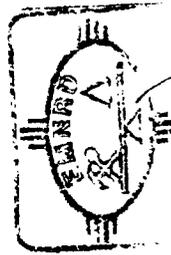
J Wolf

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt

State of New Mexico
ENERGY, MINERALS and NATURAL RESO
 2040 South Pacheco
 P.O. Box 6429
 Santa Fe, New Mexico 87505-5472



RETURNED TO SENDER
 NOT DELIVERABLE AS ADDRESSED
 UNABLE TO FORWARD

OLD

Rocky Mountain Resources, Inc.
 7409 South Alton Court, Suite 210
 Englewood, CO 80112

CERTIFIED

P 410 431 049

MAIL

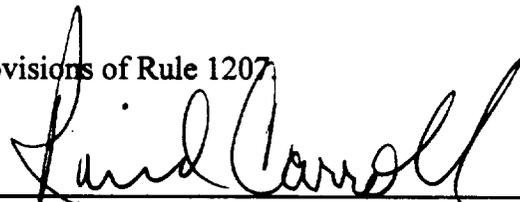
STATE OF NEW MEXICO ENERGY,
MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT II FOR AN ORDER REQUIRING ROCKY MOUNTAIN RESOURCES, INC. TO PROPERLY PLUG ITS BORDER HILLS STATE WELL NO. 1 LOCATED IN UNIT O OF SECTION 17, TOWNSHIP 11 SOUTH, RANGE 20 EAST, LINCOLN COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELL, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. 11942

AFFIDAVIT REGARDING NOTICE

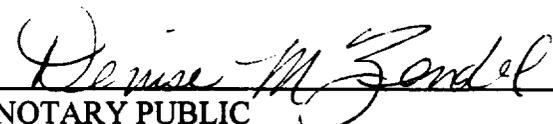
1. I am over the age of eighteen and have personal knowledge of the matters stated herein.
2. I am the attorney of record for Applicant.
3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by mailing them, by certified mail, a copy of the Application. Copies of the notice letter and certified return receipts are attached hereto.
5. Applicant has complied with the notice provisions of Rule 1207.



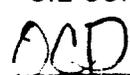
Rand Carroll

SUBSCRIBED AND SWORN TO before me this 4th day of March, 1998,
by Rand Carroll.

My commission expires:
1-6-2000



NOTARY PUBLIC

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
 EXHIBIT NO.  3

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return the card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

Thank you for using Return Receipt Service.

1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 United States Fidelity and Guaranty Co.
 PO Box 1138
 Baltimore, MD 21203

4a. Article Number
 P 410 431 050

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

5. Received By: (Print Name)
 X *Wolf*

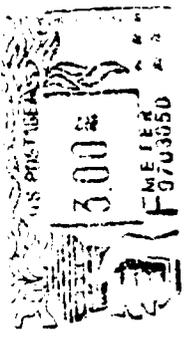
6. Signature: (Address or Agent)
 X *Wolf*

7. Date of Delivery
FEB 18 1998

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102586-97-8-0170 Domestic Return Receipt

State of New Mexico
ENERGY, MINERALS and NATURAL RESO
 2040 South Pacheco
 P.O. Box 6428
 Santa Fe, New Mexico 87505-6472



RETURNED TO
 ADDRESSEE AS
 UNABLE TO FORWARD

OOD

Rocky Mountain Resources, Inc.
 7409 South Alton Court, Suite 210
 Englewood, CO 80112

CERTIFIED

P 410 431 049



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87506
(505) 827-7131

February 13, 1998

Certified Mail
Return Receipt Requested

Rocky Mountain Resources Inc.
7409 South Alton Court, Suite 210
Englewood, CO 80112

United States Fidelity and Guaranty Co.
P.O. Box 1138
Baltimore, MD 21203

Case No. 11942

RE: Application of the New Mexico Oil Conservation Division for an order requiring Rocky Mountain Resources Inc. to properly plug its Border Hills State Well No. 1 located in Units O in Section 17, Township 11 South, Range 20 East, Lincoln County, NM, authorizing the Division to plug said well, and ordering a forfeiture of any plugging bond

United States Fidelity and Guaranty Co. Bond No: 56-0130-13356-82-9

Dear Sir/Madam:

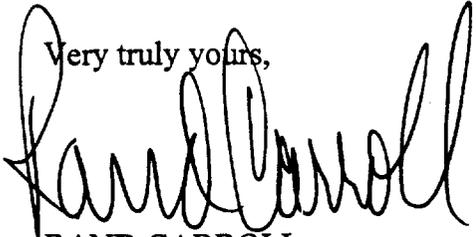
This letter is to advise you that the New Mexico Oil Conservation Division has filed the enclosed application seeking a Show Cause Hearing requiring Rocky Mountain Resources Inc. and other interested parties to appear and show cause why the above-referenced well should not be ordered plugged and abandoned.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 5, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by an order issued in this case, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90--- Enclosed) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing

statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is written in a cursive, flowing style with a large initial "R".

RAND CARROLL

ATTORNEY FOR THE NEW MEXICO OIL CONSERVATION DIVISION

Enclosures

c: Ray Smith, OCD Artesia

Tim Gum, OCD Artesia District Supervisor

RECEIVED

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

FEB 19 1998

Oil Conservation Division

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION THROUGH THE SUPERVISOR OF DISTRICT II FOR AN ORDER REQUIRING ROCKY MOUNTAIN RESOURCES, INC. TO PROPERLY PLUG ITS BORDER HILLS STATE WELL NO. 1 LOCATED IN UNIT O OF SECTION 17, TOWNSHIP 11 SOUTH, RANGE 20 EAST, LINCOLN COUNTY, NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELL, AND ORDERING A FORFEITURE OF THE PLUGGING BOND, IF ANY.

CASE NO. _____

APPLICATION FOR PLUGGING AND FORFEITURE OF BOND

1. Rocky Mountain Resources, Inc. (the "Operator") is the operator of a well, the Border Hills State Well No. 1, located in Unit O of Section 17, Township 11 South, Range 20 East, Lincoln County, New Mexico.

2. Operator has posted a surety bond in the amount of \$7,500 for said well in compliance with Section 70-2-14 NMSA 1978 and Rule 101 of the Rules and Regulations of the Oil Conservation Division, which bond is conditioned upon compliance with the statutes of the State of New Mexico and the Rules and Regulations of the Division with respect to the proper plugging and abandonment of the wells operated by Operator. United States Fidelity and Guaranty Company is surety on the bond, Bond No. 56-0130-13356-82-9.

3. The subject well has not produced hydrocarbon or carbon dioxide substance or has otherwise been inactive for more than one year or is no longer usable for beneficial purposes and no permit for temporary abandonment has been requested by the Operator and approved by

the Division.

4. By virtue of the failure to use the well for beneficial purposes or to have an approved current temporary abandonment permit, the subject well is presumed to have been abandoned and is required to be plugged.

5. By authority of Section 70-2-14 NMSA 1978, the Rules and Regulations of the Division require wells which are inactive for more than one year or are no longer usable for beneficial purposes to be properly plugged.

6. Demand has been made or attempted to be made upon the Operator to either place the subject well to beneficial use, obtain approval for temporary abandonment or properly plug and abandon the same and the Operator has failed to do so.

WHEREFORE, the Supervisor of District II of the Oil Conservation Division applies to the Director to enter an order:

A. Determining whether or not the well should be plugged in accordance with a Division-approved plugging program.

B. Upon a determination that said well should be plugged, directing Operator to plug said well.

C. Further ordering that if Operator fails to plug and abandon said well as ordered by the Director, that the Division be authorized:

i. to plug said well;

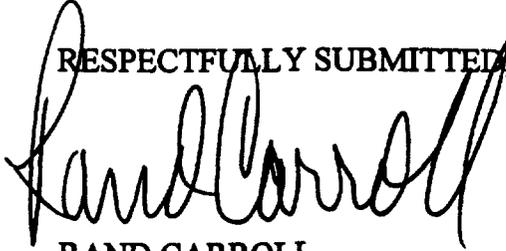
ii. to declare forfeit on said bond, if any, and to take such action to

foreclose on said bond, and

iii. to recover from the Operator any costs of plugging said well in excess of the amount of the bond, if any.

D. For such other and further relief as the Division deems just and proper, including the assessment of fines.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, appearing to read "Rand Carroll". The signature is written in a cursive style with a large initial "R" and "C".

RAND CARROLL

Legal Counsel

New Mexico Oil Conservation Division

2040 South Pacheco

Santa Fe, NM 87505

(505) 827-8156