

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 2746

\$10,000.00 Blanket Bond Form 39-A1

BLANKET SURETY COMPANY BOND WITH PRINCIPAL A CORPORATION, PARTNERSHIP OR OTHER ASSOCIATION OR INDIVIDUAL FOR OIL AND GAS WELLS UPON STATE LANDS, STATE LANDS UNDER STATE PURCHASE CONTRACT, WITH MINERALS RESERVED, LANDS PATENTED BY STATE WITH MINERALS RESERVED, AND UPON LANDS PATENTED BY THE UNITED STATES OF AMERICA TO PRIVATE INDIVIDUALS.

KNOW ALL MEN BY THESE PRESENTS

That Mr. R. Volta, an individual

(Note: Principal will insert here whether individual, partnership or corporation. If corporation,

specify in what state corporation is organized, in what city it has its principal office and whether it is

authorized to do business in the State of New Mexico)

as PRINCIPAL and Continental Casualty Company

is organized under and existing by virtue of the laws of the State of Illinois to do business in the State of New Mexico with a deposit of not less than \$25,000.00 in approved securities with the State of New Mexico pursuant to Section 60-405 New Mexico Statutes, Annotated, Compilation, 1941, with duly appointed resident agent in the State of New Mexico for the execution of this bond in behalf of the Surety Company hereto in pursuance to Section 60-417 New Mexico Statutes, Annotated, Compilation, 1941 as SURETY are held and firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Commission of New Mexico pursuant to Chapter 72, Laws of New Mexico, 1935, as amended, and to the State of New Mexico for the use and benefit of the persons, corporations, or associations hereinafter designated as Holders of State Purchasing Contracts, or Holders of Deeds for State Lands, with minerals reserved, pursuant to Section 8-1119, New Mexico Statutes, Annotated, Compilation, 1941, in the sum of

Ten Thousand (\$10,000.00) 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.

Sealed with our seals and dated this 30th day of July, 1957

The conditions of this obligation are as follows:

WHEREAS, the above principal has heretofore or may hereafter enter into oil and gas mining leases and/or Carbon Dioxide (CO<sub>2</sub>) gas leases with the State of New Mexico of various dates and periods of duration, covering the land described in such leases:

WHEREAS, said leases were entered into by the said principal, subject to the requirements of the provisions of Section 132-423, New Mexico Statutes, Annotated, 1929:

WHEREAS, all or part of the lands embraced in said leases have been sold, with minerals reserved to the State of New Mexico to various purchasers who either hold such limited patents from the State of New Mexico or State purchase contracts, entitling the holders of contracts to such limited patents upon complete payment, as shown by the official records of the Commissioner of Public Lands and

WHEREAS, the above bounden principal, individually, or in association with one or more other parties, has commenced and/or may from time to time commence and prosecute the drilling of wells to prospect for and produce oil and/or gas, and/or Carbon Dioxide (CO<sub>2</sub>) gas or does own or may acquire, own or operate such wells, or such wells started by others on land embraced in said State oil and gas mining leases, and/or Carbon Dioxide (CO<sub>2</sub>) gas leases and on lands patented by the United States of America to private individuals, the identification and location of said wells being expressly waived by both principal and surety hereto

NOW, THEREFORE, if the above bounden principal and surety, or either of them or their successors or assigns, or any of them, shall plug all of said wells, in accordance with the program approved by the Oil Conservation Commission, through the State Geologist, when dry or when abandoned, in such way as to confine the oil, gas and water in their respective strata in which they are found and to prevent them from escaping into other strata:

AND FURTHER, if the above bounden principal and surety or either of them or their successors or assigns, or any of them, upon demand shall make good and sufficient recompense, satisfaction and/or payment unto the holders of state purchase contracts or holders of patents for State lands, with minerals reserved to the State their heirs, executors, administrators, successors and assigns, for all damages to the livestock, range, water, crops or tangible improvements on such lands as may be suffered by such purchasers or his successors in interest, by reason of such oil and/or gas development, and/or Carbon Dioxide (CO<sub>2</sub>) gas development, use or occupancy of such lands by such lease or principal, during the entire period of such oil and/or gas operations and/or Carbon Dioxide (CO<sub>2</sub>) gas operations by the principal on such lands, or for such damages as a Court of competent jurisdiction may determine and fix in any action brought on this bond.

PROVIDED, HOWEVER, that the obligation of the Surety hereunder shall terminate as to property or wells acquired, drilled or started after the expiration of thirty (30) days from receipt by the Oil Conservation Commission of written notice from the Surety of cancellation hereof, notwithstanding which it shall continue in effect as to property or wells theretofore acquired, drilled or started.

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.

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

M. R. Volts  
Principal  
By X *M. R. Volts*  
Continental Casualty Company

(Note: Corporate surety affix corporate seal here).

By *R. A. Lockwood Jr.*  
Attorney-in-fact  
Power of Attorney attached.

(Note: If corporate surety executes this bond by an attorney-in-fact not in New Mexico, the resident New Mexico agent shall countersign here below.)

Countersigned by:  
*Edward N. Ketchum*  
Edward N. Ketchum Resident Agent  
Albuquerque New Mexico.

(Note: The following acknowledgment form is to be used for the principal in case of a natural person acting in his own right.)

STATE OF *Texas*  
COUNTY OF *Midland* ss  
On this *30th* day of *July*, 19*57* before me personally appeared *M. R. Volts*  
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.

*A. Williams*  
A. Williams  
Notary Public Notary Public  
Midland County Texas  
My Commission expires *6-1-59*

(Note: The following acknowledgment form is to be used by the principal in the case of a natural person acting by attorney.)

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss  
On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_  
to me known to be the person who executed the foregoing instrument in behalf of \_\_\_\_\_  
and acknowledged that he executed the same as the free act and deed of said \_\_\_\_\_

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 \_\_\_\_\_

(Note: The following acknowledgment form is to be used where the principal is a corporation.)

COUNTY OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_

\_\_\_\_\_ to me personally known,  
who, being by me duly sworn, did say that he is \_\_\_\_\_

of \_\_\_\_\_ and that the seal affixed to  
said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf  
of said corporation by authority of its board of directors, and the said \_\_\_\_\_  
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.

(The following acknowledgment form is to be used by the corporate surety.)

COUNTY OF Oklahoma }  
COUNTY OF Tulsa } ss.

On this 30th day of July, 1957, before me appeared \_\_\_\_\_

R. R. Lockwood, Jr. to me personally known.

who, being by me duly sworn, did say that he is Attorney-in-Fact

of CONTINENTAL CASUALTY COMPANY and that the seal  
affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed  
in behalf of said corporation by authority of its board of directors, and the said R. R. Lockwood, Jr.  
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.

My commission expires 12-2-59

APPROVED BY:

OIL CONSERVATION COMMISSION  
OF NEW MEXICO

By \_\_\_\_\_

APPROVED BY:

\_\_\_\_\_  
Commissioner of Public Lands.

**CONTINENTAL CASUALTY COMPANY**

Chicago, Illinois

AN ILLINOIS CORPORATION

## Certificate of Authority Individual Attorney-in-Fact.

**Know All Men by these Presents,** That the CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, hath made, constituted and appointed, and does by these present, make, constitute and appoint R. R. LOCKWOOD, JR.

of Tulsa, Oklahoma  
its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature as follows:

WITHOUT LIMITATIONS

and to bind the CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of the CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company

## "Article XI - Surety Bonds and Undertakings.

Section 2. Appointment of Attorney-in-Fact. The President or any Vice President may, from time to time, appoint by written certificate attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority shall have full power to bind the Company by their signature and execution of any such instrument and to attach the seal of the Company thereto. The President or any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact.

**In Witness Whereof,** the CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed this 9th

day of September 19 48

CONTINENTAL CASUALTY COMPANY

(SEAL)

W. E. KRAFFT  
Vice President.

State of Illinois, County of Cook, ss:

On this 9th day of September, 19 48, before me personally came

W. E. KRAFFT

to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Vice-President of the CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal, that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

(NOTARIAL SEAL)

MITCHELL  
Notary Public.

My Commission Expires September 7, 19 51

## CERTIFICATE

I, E. M. MOSE, Assistant Secretary of the CONTINENTAL CASUALTY COMPANY, do hereby certify the aforementioned Power of Attorney dated Sept. 9, 1948

in behalf of R. R. LOCKWOOD, JR.  
is a true and correct copy and that same is signed in fact.

In testimony whereof, I have caused to be subscribed my name and affixed the corporate seal of the said

Company this 10th day of

19

Assistant Secretary.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO PERMIT CONTINENTAL NATIONAL INSURANCE GROUP AND ALL OTHER INTERESTED PARTIES TO APPEAR AND SHOW CAUSE WHY THE KENNETH V. BARBEE WELL NO. 1, LOCATED 1980 FEET FROM THE SOUTH LINE AND 660 FEET FROM THE EAST LINE OF SECTION 9, TOWNSHIP 11 SOUTH, RANGE 25 EAST, MNPM, CHAVES COUNTY, NEW MEXICO, SHOULD NOT BE PLUGGED IN ACCORDANCE WITH A COMMISSION-APPROVED PLUGGING PROGRAM.

CASE No. 2746  
Order No. R-2459

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 20, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of March, 1963, the Commission, a quorum being present, having considered the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the Attorney for the Commission stated at the hearing that the subject well had been plugged in accordance with a Commission-approved plugging program and moved that the case be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2746 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary