

NM1 - 21

BONDS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

August 26, 2003

Ms. Daniele Beradelli
GooYea Landfarm, Inc.
200 Sunset Drive, Suite D
El Paso, Texas 79922

**RE: \$68,100 Surety Bond for Commercial Surface Waste Management Facility
Permit NM-01-0021
Goo Yea Landfarm Inc, Inc., Principal
RLI Insurance Company, Surety
S/2 SW/4 and SW/4 SE/4 of Section 11, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico
Bond No. RLB0005867 and Riders dated December 20, 1999 and March 22, 2000,
July 13, 2000, August 1, 2001, January 11, 2002, March 3, 2003, July 31, 2003 and
August 15, 2003**

Dear Ms. Beradelli:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility bond rider number six (6) dated July 31, 2003 changing the Surety to RLI Insurance Company and bond number to RLB0005867 and rider number seven (7) dated August 15, 2003 changing the name of the principle to Goo Yea Landfarm, Inc.

Sincerely,

Gail MacQuesten
Assistant General Counsel

GM:mjk

Enclosure: Copy of bond No. (B7633) (UIB0007633) RLB0005867 and riders 6 and 7

xc with attachment:

Hobbs OCD Office
Greg E. Chilson, RLI Insurance Company, 8 Greenway Plaza, Suite 400, Houston, TX 77046

RIDER NO. 6

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633 (B7633), effective July 31, 1998, on behalf of Rhino Oilfield Disposal, Inc. as Principal, in favor of State of New Mexico as Obligee, in the amount of Sixty Eight Thousand One Hundred and No/100 Dollars (\$68,100.00).

It is understood and agreed that effective July 31, 2003, the Surety Company on the above referenced bond has been amended to read:

RLI Insurance Company

It is also understood and agreed that effective July 31, 2003, the bond number on the above reference bond has been amended to read:

RLB0005867

All other conditions and terms to remain as originally written or previously revised by rider.

Signed, sealed and dated this 31st day of July, 2003.

Rhino Oilfield Disposal, Inc.

Principal

By: 

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046

Surety

By: 

Greg E. Chilson, Attorney-in-Fact



9025 North Lindbergh Dr. • Peoria, IL 61615
(309) 692-1000 or (800) 645-2402

RLB0005867

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: GREG E. CHILSON

in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$68,100.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity, policies indemnifying employers against loss or damage caused by the misconduct of their employees, official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company, and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT with its corporate seal affixed this

ATTEST:

Camille J. Hensey

Corporate Secretary



By:

RLI INSURANCE COMPANY

Jonathan E. Michael

President

State of Illinois)
County of Peoria) SS

On this 31 day of July 2003 before me, a Notary Public, personally appeared Jonathan E. Michael and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cherie L. Montgomery

Notary Public



SPA026 (10/01)

RIDER NO. 7

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. RLB0005867, effective July 31, 1998, on behalf of Rhino Oilfield Disposal, Inc. as Principal, in favor of State of New Mexico as Obligee, in the amount of Sixty Eight Thousand One Hundred and No/100 Dollars (\$68,100.00).

It is understood and agreed that effective August 12, 2003, the name of the Principal on the above referenced bond has been amended to read:

Goo-Yea Landfarm, Inc.

All other conditions and terms to remain as originally written or previously revised by rider.

Signed, sealed and dated this 15th day of August, 2003.

Goo-Yea Landfarm, Inc.

Principal

By: 

RLI Insurance Company
8 Greenway Plaza, Suite 400
Houston, TX 77046

Surety

By: 

Paul M. O'Sullivan, Attorney-in-Fact



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

December 22, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Ms. Daniele Beradelli
GooYea Landfarm, Inc.
200 Sunset Drive, Suite D
El Paso, Texas 79922

**RE: \$79,450 Surety Bond for Commercial Surface Waste Management Facility
Permit NM-01-0021
Goo Yea Landfarm Inc, Inc., Principal
RLI Insurance Company, Surety
S/2 SW/4 and SW/4 SE/4 of Section 11, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico
Bond No. RLB0005867 and Rider dated December 2, 2003**

Dear Ms. Beradelli:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility bond rider number eight (8) dated December 2, 2003 increasing the amount of the bond to \$79,450

Sincerely,

Gail MacQuesten
Assistant General Counsel

GM:mjk

Enclosure: Copy of Bond No. RLB0005867 and Rider 8

xc with attachment:

Hobbs OCD Office
Greg E. Chilson, RLI Insurance Company, 8 Greenway Plaza, Suite 400, Houston, TX 77046

RIDER NO. 8

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. RLB0005867, executed July 31, 1998, on behalf of Goo-Yea Landfarm, Inc. as Principal, in favor of State of New Mexico as Oblige, in the amount of Sixty Eight Thousand One Hundred and No/100 Dollars (\$68,100.00).

It is understood and agreed that effective February 14, 2004, the amount of this bond has been increased by Eleven Thousand Three Hundred Fifty and No/100 Dollars (\$11,350.00).

The total penal sum is amended to read Seventy Nine Thousand Four Hundred Fifty and No/100 Dollars (\$79,450.00).

All other conditions and terms to remain as originally written or previously revised by rider.

Signed, sealed and dated this 2nd day of December, 2003.

Goo-Yea Landfarm, Inc.

Principal

By: Steve Dyer President

RLI Insurance Company

8 Greenway Plaza, Suite 400

Houston, TX 77046

Surety

By: Greg E. Chilson

Greg E. Chilson, Attorney-in-Fact



9025 North Lindbergh Dr. • Peoria, IL 61615
(309) 692-1000 or (800) 645-2402

RLB0005867

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That the RLI INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and authorized and licensed to do business in all states and the District of Columbia does hereby make, constitute and appoint: GREG E. CHILSON in the City of HOUSTON, State of TEXAS, as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, all of the following classes of documents to-wit:

\$79,450.00

Indemnity, Surety and Undertakings that may be desired by contract, or may be given in any action or proceeding in any court of law or equity, policies indemnifying employers against loss or damage caused by the misconduct of their employees, official, bail and surety and fidelity bonds. Indemnity in all cases where indemnity may be lawfully given; and with full power and authority to execute consents and waivers to modify or change or extend any bond or document executed for this Company and to compromise and settle any and all claims or demands made or existing against said Company.

The RLI INSURANCE COMPANY further certifies that the following is a true and exact copy of a Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

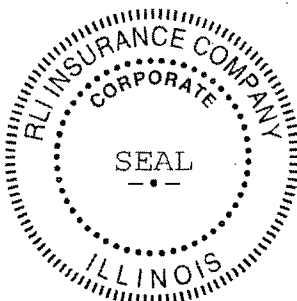
"All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

(Blue shaded areas above indicate authenticity)

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its PRESIDENT with its corporate seal affixed this

ATTEST:

Camille J. Hensey
Corporate Secretary



RLI INSURANCE COMPANY

By:

Jonathan E. Michael
President

State of Illinois)
County of Peoria) SS

On this 2 day of Dec. 2003 before me, a Notary Public, personally appeared Jonathan E. Michael and Camille J. Hensey, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as President and Corporate Secretary, respectively, of the said RLI INSURANCE COMPANY, and acknowledged said instrument to be the voluntary act and deed of said corporation.

Cherie L. Montgomery
Notary Public



SPA026 (10/01)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

March 14, 2003

Ms. Daniele Beradelli
Rhino Oilfield Disposal, Inc.
200 Sunset Drive, Suite D
El Paso, Texas 79922

**RE: \$68,100 Surety Bond for Commercial Surface Waste Management Facility
Permit NM-01-0021
Rhino Oilfield Disposal, Inc., Principal
Underwriters Indemnity Company, Surety
S/2 SW/4 and SW/4 SE/4 of Section 11, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico
Bond No. UIB0007633 and Riders dated December 20, 1999 and March 22, 2000,
July 13, 2000, August 1, 2001, January 11, 2002 and March 3, 2003.**

Dear Ms. Beradelli:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility bond rider number 5 dated March 3, 2003 increasing the amount of the bond to \$68,100.

Sincerely,

David K. Brooks
Assistant General Counsel

DKB:mjk

Enclosure: Copy of bond No. UIB0007633 and rider 5

xc with attachment:

Hobbs OCD Office

Greg E. Chilson, Underwriters Indemnity Company

RIDER NO. 5

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633, effective July 31, 1998, on behalf of Rhino Oilfield Disposal, Inc. as Principal, in favor of State of New Mexico as Oblige, in the amount of Fifty Six Thousand Seven Hundred Fifty and No/100 Dollars (\$56,750.00).

It is understood and agreed that effective February 14, 2003, the above bond is increased by Eleven Thousand Three Hundred Fifty and No/100 Dollars (\$11,350.00).

The total penal sum is amended to read Sixty Eight Thousand One Hundred and No/100 Dollars (\$68,100.00).

All other conditions and terms to remain as originally written or revised by rider.

Signed, sealed and dated this 3rd day of March, 2003.

Rhino Oilfield Disposal, Inc.

Principal

By: _____

Steve Dyer

Underwriters Indemnity Company

8 Greenway Plaza, Suite 400

Houston, TX 77046

Surety

By: _____

Greg E. Chilson

Greg E. Chilson, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

Greg E. Chilson

true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, regulation, contract or otherwise, in an amount not to exceed:

\$68,100.00

the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

- (1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
- (2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and
- (3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

wherefore, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said company adopted by the Board of Directors of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, Roy C. Die; on this the 30th day of July, 2001.

STATE OF TEXAS

COUNTY OF HARRIS

On this 30th day of July, 2001, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said company.

TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Nancy Cruz
Notary Public, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

TESTIMONY WHEREOF, I have hereunto set my hand this 3 day of March, 2003

Greg E. Chilson
Greg E. Chilson

Assistant Secretary

This is a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Carol Leach
Acting Cabinet Secretary

February 1, 2002

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 7099-3220-0000-5051-2870

Ms. Daniele Beradelli
Rhino Oilfield Disposal, Inc.
P.O. Box 57180
Albuquerque, NM 87187-7180

**RE: \$56,750 Surety Bond for Commercial Surface Waste Management Facility
Permit NM-01-0021
Rhino Oilfield Disposal, Inc., Principal
Underwriters Indemnity Company, Surety
S/2 SW/4 and SW/4 SE/4 of Section 11, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico
Bond No. B7633 and Riders dated December 20, 1999 and March 22, 2000, July 13,
2000, August 1, 2001 and January 11, 2002.**

Dear Ms. Beradelli:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility bond rider dated January 11, 2002 increasing the amount of the bond to \$56,750.

Sincerely,

David K. Brooks
Assistant General Counsel

DKB:mjk

Enclosure: Copy of bond No. B7633 and Riders

xc with attachment:

Hobbs OCD Office
Paul M. O'Sullivan, Underwriters Indemnity Company



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

October 30, 2001

Lori Wrotenberg

Director

Oil Conservation Division

CERTIFIED MAIL

RETURN RECEIPT NO. 7099-3220-0000-5051-2504

Ms. Daniele Beradelli
Rhino Oilfield Disposal, Inc.
200 Sunset Drive, Suite D
El Paso, TX 79922

**RE: \$45,400 Surety Bond for Commercial Surface Waste Management Facility
Permit NM-01-0021
Rhino Oilfield Disposal, Inc., Principal
Underwriters Indemnity Company, Surety
SE/8 of SE/4 & SW/4 of SE/4 of Section 11, Township 20 South, Range 38 East,
NMPM, Lea County, New Mexico
Bond No. B7633 and Riders dated December 20, 1999 and March 22, 2000, July 13,
2000 and August 1, 2001**

Dear Ms. Beradelli:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility bond rider dated August 1, 2001 increasing the amount of the bond to \$45,400.

Sincerely,

David K. Brooks

Assistant General Counsel

DKB:mjk

Enclosure: Copy of bond No. B7633 and Riders

xc with attachment:

Hobbs OCD Office

Greg E. Chilson, Underwriters Indemnity Company

Energy, Minerals and Natural Resources Department
Oil Conservation Division

Surety Bond For Waste Management Facilities

(File with Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505)

BOND NO. B7633
(For Surety Company Use)

KNOW ALL MEN BY THESE PRESENTS:

That Rhino Environmental Services, Inc., (an individual, partnership, or a corporation organized in the State of New Mexico, with its principal office in the City of Albuquerque, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and * UIC, a corporation organized and existing under the laws of the State of Texas, and authorized to do business in the State of New Mexico with duly appointed resident agent in the State of New Mexico to execute this bond on behalf of the surety company, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (the "Division") pursuant to Section 70-2-12 NMSA, 1978, (1995 Rel.) as amended in the sum of Eleven Thousand Three Hundred Fifty (\$11,350.00) Dollars for the payment of which PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally.

The conditions of this obligation are such that:

WHEREAS, the above principal has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, BS&W, tank bottoms, waste oil and/or other oil field related waste in Section 11, Township 20S, Range 38E, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$11,350.00 performance bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission, the Division, and upon clean-up of the facility site to standards of the Division; otherwise the principal amount of the bond to be forfeited to the State of New Mexico.

Signed and sealed this 31st day of July, 19 98

Rhino Environmental Services, Inc.

Principal

11521 Del Rey NE (P.O.Box 25547)
Albuquerque, NM 87125

Mailing Address

By Steve Dym

Signature

President
Title

* Underwriters Indemnity Company

Surety

8 Greenway Plaza, Suite 400
Houston, TX 77046

Mailing Address

By Greg E. Chilson

Attorney-in-Fact Greg E. Chilson

Note: If Principal is a corporation, affix corporate seal here.

Note: If corporate surety, affix corporate seal here.

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: Roberto C.

New Mexico Resident Agent

7800 Marble NE, Suite 10

Albuquerque, New Mexico 87110

Address

1. (For a natural person acting in his own right:)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____

My commission expires:

Date

Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____ partner(s) on behalf of
_____ a partnership.

My commission expires:

Date

Notary Public

3. (For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 31st day of July, 19 98,
by Steve Dyer, President
a corporation, on behalf of the corporation.

My commission expires:

7-31-98
Date



Evalyn Hodgdon
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: 6/4/2001

Evalyn Hodgdon
Notary Public

NOTE: When Lessor is a partnership, corporation or association, list all partners, officers and directors as may be applicable. This information may be provided below.

Linsey Dyer
Sec/Treas.

APPROVED BY:
OIL CONSERVATION DIVISION

By: Karl Carroll

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

GREG E. CHILSON

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

*******FIFTY THOUSAND AND NO/100 DOLLARS*******
and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

~~(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.~~

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the 30th day of April 1996.



E.H. Frank III

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 30th day of April 1996, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Robin N. Neville

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 31st day of July, 1998



Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

BOND RIDER NO. 1

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633, effective July 31, 1998 on behalf of Rhino Environmental Services, Inc. as Principal, of 11521 Del Rey NE (P. O. Box 25547), Albuquerque, NM 87125, in favor of State of New Mexico, Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505 as Obligee, in the amount of Eleven Thousand Three Hundred Fifty Dollars (\$11,350.00)

It is understood and agreed that effective December 9, 1999 the principal's name has been amended to read:

Rhino Oilfield Disposal, Inc.

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 20th day of December, 1999.

Rhino Oilfield Disposal, Inc.
Principal

By: Steve Dyer

Underwriters Indemnity Company
Office located at
8 Greenway Plaza, Suite 400
Houston, Texas 77046

Surety

By: Greg E. Chilson
Greg E. Chilson, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

Greg E. Chilson

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

*****\$11,350.00*****
and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, Roy C. Die, on this 27th day of August 1999.



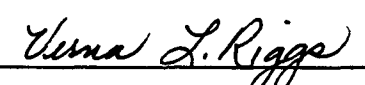
 President

STATE OF TEXAS
COUNTY OF HARRIS

On this 27th day of August 1999, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



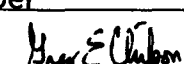
 NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 20th day of December, 19 99



 Assistant Secretary
Greg E. Chilson

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

BOND RIDER NO. 1

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633, effective July 31, 1998 on behalf of Rhino Oil Field Disposal, Inc. as Principal, of 11521 Del Ray NE (P. O. Box 25547), Albuquerque, NM 87125, in favor of State of New Mexico, Oil & Gas Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505 as Obligee, in the amount of Eleven Thousand Three Hundred Fifty Dollars (\$11,350.00).

It is hereby understood and agreed that effective March 20, 2000 the penal sum has been increased by Eleven Thousand Three Hundred Fifty Dollars (\$11,350.00).

The penal sum is now Twenty Two Thousand Seven Hundred and No/100 Dollars (\$22,700.00).

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 22nd day of March 2000.

Rhino Oil Field Disposal, Inc.

Principal

By: Steve Dyer

Underwriters Indemnity Company

Office located at

8 Greenway Plaza, Suite 400

Houston, Texas 77046

Surety

By: Greg E. Chilson

Greg E. Chilson, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

Greg E. Chilson

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

22,700.00

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, Roy C. Die, on this 27th day of August 1999.



[Signature]

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 27th day of August 1999, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Verna L. Riggs

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 22nd day of March, xx2000



Greg E. Chilson
Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

BOND RIDER NO. 2

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633, effective July 31, 1998 on behalf of Rhino Oil Field Disposal, Inc. as Principal, of 11521 Del Ray NE (P. O. Box 25547) Albuquerque, NM 87125, in favor of State of New Mexico, Oil & Gas Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505 as Obligee, in the amount of Twenty Two Thousand Seven Hundred and No/20 Dollars (22,700.00).

It is hereby understood and agreed that effective June 27, 2000 the penal sum has been increased by Eleven Thousand Three Hundred Fifty and No/100 Dollars (\$11,350.00).

The penal sum now read Thirty Four Thousand Fifty and No/100 Dollars (\$34,050.00).

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 13th day of July 2000.

Rhino Oil Field Disposal, Inc.

Principal

By: Steve Dyer

Underwriters Indemnity Company

Office located at

8 Greenway Plaza, Suite 400

Houston, Texas 77046

Surety

By: Greg E. Chilson
Greg E. Chilson, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

Greg E. Chilson

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

\$34,050.00

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the 30th day of April 1996.



E.H. Frank III

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 30th day of April 1996, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Robin N. Neville

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 13th day of July, 1996



Greg E. Chilson
Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

RIDER NO. 3

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633, effective July 31, 1998, on behalf of Rhino Oilfield Disposal, Inc. as Principal, in favor of State of New Mexico as Obligee, in the amount of Thirty Four Thousand Fifty and No/100 Dollars (\$34,050.00).

It is understood and agreed that effective August 3, 2001 the above bond is increased by Eleven Thousand Three Hundred Fifty and No/100 Dollars (\$11,350.00).

The total penal sum is amended to read Forty Five Thousand Four Hundred and No/100 Dollars (\$45,400.00).

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 1st day of August, 2001.

Rhino Oilfield Disposal, Inc.
Principal

By: _____

Steve Dyer

Underwriters Indemnity Company
Surety

By: _____

Paul M. O'Sullivan

Paul M. O'Sullivan, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

Paul M. O'Sullivan

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

\$50,000.00

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the 30th day of April 1996.



E.H. Frank III

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 30th day of April 1996, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Robin N. Neville

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 1st day of August, XX 2001



Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

September 8, 2000

CERTIFIED MAIL

RETURN RECEIPT NO. 7099-3220-0000-5051-1163

Ms. Daniele Beradelli
Rhino Oilfield Disposal, Inc.
P.O Box 25547
Albuquerque, NM 87125

**RE: \$34,050 Surety Bond for Commercial Surface Waste Management Facility
Permit NM-01-0021
Rhino Oilfield Disposal, Inc., Principal
Underwriters Indemnity Company, Surety
SE/8 of SE/4 & SW/4 of SE/4 of Section 11, Township 20 South, Range 38 East,
NMPM, Lea County, New Mexico
Bond No. B7633 and Riders dated December 20, 1999 and March 22, 2000 and July
13, 2000**

Dear Ms. Beradelli:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility bond rider dated July 13, 2000 increasing the amount of the bond to \$34,050.

Sincerely,

Marilyn S. Hebert,
Legal Counsel

MSH:mjk

Enclosure: Copy of bond No. B7633 and Riders

xc with attachment:

Hobbs OCD Office

Greg E. Chilson, Underwriters Indemnity Company

BOND RIDER NO. 2

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633, effective July 31, 1998 on behalf of Rhino Oil Field Disposal, Inc. as Principal, of 11521 Del Ray NE (P. O. Box 25547) Albuquerque, NM 87125, in favor of State of New Mexico, Oil & Gas Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505 as Obligee, in the amount of Twenty Two Thousand Seven Hundred and No/20 Dollars (22,700.00).

It is hereby understood and agreed that effective June 27, 2000 the penal sum has been increased by Eleven Thousand Three Hundred Fifty and No/100 Dollars (\$11,350.00).

The penal sum now read Thirty Four Thousand Fifty and No/100 Dollars (\$34,050.00).

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 13th day of July 2000.

Rhino Oil Field Disposal, Inc.

Principal

By: Steve Dyer

Underwriters Indemnity Company

Office located at

8 Greenway Plaza, Suite 400

Houston, Texas 77046

Surety

By: Greg E. Chilson
Greg E. Chilson, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

Greg E. Chilson

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

\$34,050.00

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the 30th day of April 1996.



E.H. Frank III

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 30th day of April 1996, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**: that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Robin N. Neville

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 13th day of July, 1996



Greg E. Chilson

Assistant Secretary

Greg E. Chilson

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 31, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. Z-559-537-316


Ms. Daniele Beradelli
Rhino Oilfield Disposal, Inc.
P.O. Box 25547
Albuquerque, NM 87125

RE: \$22,700 Surety Bond for Commercial Surface Waste Management Facility
Permit NM-01-0021
Rhino Oilfield Disposal, Inc., Principal
Underwriters Indemnity Company, Surety
SE/4 Section 34, Township 31 North Range 13 West, NMPM
Lea County, New Mexico
Riders dated December 20, 1999 and March 22, 2000 to Bond No. B7633

Dear Ms. Beradelli:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility bond rider dated December 20, 1999 stipulating the name change from Rhino Environmental Services, Inc. to Rhino Oilfield Disposal, Inc. and the rider dated March 22, 2000 increasing the amount of the bond to \$22,700.

Sincerely,


Marilyn S. Hebert,
Legal Counsel

MSH:mjk

Enclosure: Copy of bond No. B7633 and Riders

xc with attachment:
Hobbs OCD Office
Greg E. Chilson, Underwriters Indemnity Company

Energy, Minerals and Natural Resources Department
Oil Conservation Division
Surety Bond For Waste Management Facilities
(File with Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505)

BOND NO. B7633
(For Surety Company Use)

KNOW ALL MEN BY THESE PRESENTS:

That Rhino Environmental Services, Inc., (an individual, partnership, or a corporation organized in the State of New Mexico, with its principal office in the City of Albuquerque, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and * UIC, a corporation organized and existing under the laws of the State of Texas, and authorized to do business in the State of New Mexico with duly appointed resident agent in the State of New Mexico to execute this bond on behalf of the surety company, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (the "Division") pursuant to Section 70-2-12 NMSA, 1978, (1995 Relp.) as amended in the sum of Eleven Thousand Three Hundred Fifty (\$11,350.00) Dollars for the payment of which PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally.

The conditions of this obligation are such that:

WHEREAS, the above principal has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, BS&W, tank bottoms, waste oil and/or other oil field related waste in Section 11, Township 20S, Range 38E, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$11,350.00 performance bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission, the Division, and upon clean-up of the facility site to standards of the Division; otherwise the principal amount of the bond to be forfeited to the State of New Mexico.

Signed and sealed this 31st day of July, 19 98

Rhino Environmental Services, Inc.

Principal

11521 Del Rey NE (P.O. Box 25547)
Albuquerque, NM 87125

Mailing Address

By

Signature

Title

Note: If Principal is a corporation, affix corporate seal here.

* Underwriters Indemnity Company

Surety

8 Greenway Plaza, Suite 400
Houston, TX 77046

Mailing Address

By

Attorney-in-Fact

Greg E. Chilson

Note: If corporate surety, affix corporate seal here.

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:

New Mexico Resident Agent

7800 Marble NE, Suite 10
Albuquerque, New Mexico 87110
Address

1. (For a natural person acting in his own right:)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____.

My commission expires:

Date

Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____,
_____ partner(s) on behalf of
_____, a partnership.

My commission expires:

Date

Notary Public

3. (For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 31st day of July, 19 98,
by Steve Dyer, President
a corporation, on behalf of said corporation.

My commission expires:

Date

Notary Public



OFFICIAL SEAL
Evalyn Hodgdon
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: 6/4/2001

Linsey Dyer
Sec/Treas.

APPROVED BY:
OIL CONSERVATION DIVISION

By: Karl Carroll

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

GREG E. CHILSON

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

*******FIFTY THOUSAND AND NO/100 DOLLARS*******
and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the 30th day of April 1996.



E.H. Frank III

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 30th day of April 1996, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Robin N. Neville

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 31st day of July, 1998



Greg E. Chilson
Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

BOND RIDER NO. 1

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633, effective July 31, 1998 on behalf of Rhino Environmental Services, Inc. as Principal, of 11521 Del Rey NE (P. O. Box 25547), Albuquerque, NM 87125, in favor of State of New Mexico, Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505 as Obligee, in the amount of Eleven Thousand Three Hundred Fifty Dollars (\$11,350.00)

It is understood and agreed that effective December 9, 1999 the principal's name has been amended to read:

Rhino Oilfield Disposal, Inc.

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 20th day of December, 1999.

Rhino Oilfield Disposal, Inc.
Principal

By: Steve Dyer

Underwriters Indemnity Company
Office located at
8 Greenway Plaza, Suite 400
Houston, Texas 77046

Surety

By: Greg E. Chilson
Greg E. Chilson, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

Greg E. Chilson

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

*****\$11,350.00*****
and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, Roy C. Die, on this 27th day of August 1999.



[Signature] President

STATE OF TEXAS
COUNTY OF HARRIS

On this 27th day of August 1999, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Verma L. Riggs NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 20th day of December, 19 99



Greg E. Chilson Assistant Secretary
Greg E. Chilson

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

BOND RIDER NO. 1

Attaching to and forming part of Surety Bond for Waste Management Facilities, Bond No. UIB0007633, effective July 31, 1998 on behalf of Rhino Oil Field Disposal, Inc. as Principal, of 11521 Del Ray NE (P. O. Box 25547), Albuquerque, NM 87125, in favor of State of New Mexico, Oil & Gas Conservation Division, 2040 South Pacheco Street, Santa Fe, NM 87505 as Obligee, in the amount of Eleven Thousand Three Hundred Fifty Dollars (\$11,350.00).

It is hereby understood and agreed that effective March 20, 2000 the penal sum has been increased by Eleven Thousand Three Hundred Fifty Dollars (\$11,350.00).

The penal sum is now Twenty Two Thousand Seven Hundred and No/100 Dollars (\$22,700.00).

All other conditions and terms to remain as originally written.

Signed, sealed and dated this 22nd day of March 2000.

Rhino Oil Field Disposal, Inc.

Principal

By: Steve Dyer

Underwriters Indemnity Company

Office located at

8 Greenway Plaza, Suite 400

Houston, Texas 77046

Surety

By: Greg E. Chilson

Greg E. Chilson, Attorney-in-Fact

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

Greg E. Chilson

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

22,700.00

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, Roy C. Die, on this 27th day of August 1999.



[Signature]

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 27th day of August 1999, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Verna L. Riggs

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 22nd day of March xx2000



Greg E. Chilson
Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 5, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-483

Mr. Steve Dyer
Rhino Environmental Services, Inc.
P.O. Box 25547
Albuquerque, NM 87125

RE: \$11,350 Surety Bond for Commercial Surface Waste Management Facilities
Permit NM-01-0021
Rhino Environmental Services, Inc., Principal
Underwriters Indemnity Company, Surety
Bond No. B7633

Dyer:
Dear Mr. ~~Cooper~~:

The New Mexico Oil Conservation Division hereby approves the above-referenced Commercial Surface Waste Management Facility Bond.

Sincerely

A handwritten signature in cursive script, reading "Rand Carroll".

Rand Carroll,
Legal Counsel

RC:mjk

Enclosure: Copy of bond No. B7633

xc with attachment:
Hobbs OCD Office

Energy, Minerals and Natural Resources Department
Oil Conservation Division

Surety Bond For Waste Management Facilities

(File with Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505)

BOND NO. B7633

(For Surety Company Use)

KNOW ALL MEN BY THESE PRESENTS:

That Rhino Environmental Services, Inc., (an individual, partnership, or a corporation organized in the State of New Mexico, with its principal office in the City of Albuquerque, State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and * UIC, a corporation organized and existing under the laws of the State of Texas, and authorized to do business in the State of New Mexico with duly appointed resident agent in the State of New Mexico to execute this bond on behalf of the surety company, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (the "Division") pursuant to Section 70-2-12 NMSA, 1978, (1995 Relp.) as amended in the sum of Eleven Thousand Three Hundred Fifty (\$11,350.00) Dollars for the payment of which PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally.

The conditions of this obligation are such that:

WHEREAS, the above principal has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, BS&W, tank bottoms, waste oil and/or other oil field related waste in Section 11, Township 20S, Range 38E, NMPM, Lea County, New Mexico.

NOW, THEREFORE, this \$11,350.00 performance bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission, the Division, and upon clean-up of the facility site to standards of the Division; otherwise the principal amount of the bond to be forfeited to the State of New Mexico.

Signed and sealed this 31st day of July, 19 98

Rhino Environmental Services, Inc.

Principal
11521 Del Rey NE (P.O.Box 25547)
Albuquerque, NM 87125

Mailing Address

By Steve Wynn / President
Signature Title

* Underwriters Indemnity Company

Surety
8 Greenway Plaza, Suite 400
Houston, TX 77046

Mailing Address

By Greg E. Chilson
Attorney-in-Fact Greg E. Chilson

Note: If Principal is a corporation, affix corporate seal here.

Note: If corporate surety, affix corporate seal here.

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:

Roberto C. ...
New Mexico Resident Agent

7800 Marble NE, Suite 10
Albuquerque, New Mexico 87110
Address

1. (For a natural person acting in his own right:)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____

My commission expires:

Date Notary Public

2. (For a partnership acting by one or more partners)

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____,
by _____ partner(s) on behalf of
_____, a partnership.

My commission expires:

Date Notary Public

3. (For a corporation or incorporated association)

The foregoing instrument was acknowledged before me this 31st day of July, 19 98.
by Steve Dyer, President
a corporation, on behalf of said corporation.



Evalyn Hodgdon
NOTARY PUBLIC
STATE OF NEW MEXICO

My commission expires:

My Commission Expires: 6/4/2001

7-31-98
Date Notary Public Evalyn Hodgdon

NOTE: When Lessor is a partnership, corporation or association, list all partners, officers and directors as may be applicable. This information may be provided below.

Linsey Dyer
Sec/Treas.

APPROVED BY:
OIL CONSERVATION DIVISION

By: Karl Carroll

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That **UNDERWRITERS INDEMNITY COMPANY**, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

GREG E. CHILSON

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

*******FIFTY THOUSAND AND NO/100 DOLLARS*******
and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said **UNDERWRITERS INDEMNITY COMPANY** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office. This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of a resolution enacted by the Board of Directors of **UNDERWRITERS INDEMNITY COMPANY**. The following is a true transcript of said resolution:

That at all times since the formation of this corporation, the President or any Vice President, Assistant Vice President, Secretary or Assistant Secretary shall have power and authority.

(1) to appoint attorneys-in-fact, and to authorize them to execute on behalf of the Company; and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and

(2) to appoint special attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the Bylaws of the Company, and

(3) to remove, at any time, any such attorney-in-fact or special attorney-in-fact and revoke the authority given to him.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted by consent of which the following is a true excerpt:

"Now therefore the signatures of such 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 and any such power so executed and certified by facsimile signatures and 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."

IN TESTIMONY WHEREOF, **UNDERWRITERS INDEMNITY COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E.H. Frank, III, on this the 30th day of April 1996.



E.H. Frank III

President

STATE OF TEXAS
COUNTY OF HARRIS

On this 30th day of April 1996, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of **UNDERWRITERS INDEMNITY COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



Robin N. Neville

NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of **UNDERWRITERS INDEMNITY COMPANY**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 31st day of July, 1998



Greg E. Chilson

Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.