

SINGLE WELL CASH BOND

Know all men by these presents that Bran Oil Corporation  
~~(an individual)~~ ~~(a partnership)~~ (a corporation organized  
in the State of New Mexico with its principal office at 105 W. Third. Ste. 234,  
P. O. Box 2328 in the city of Roswell, State of New Mexico  
and authorized to do business in the State of New Mexico) is held and firmly bound to  
the Oil Conservation Division of the State of New Mexico (or its successor agency) in  
the sum of \$5,000.00 (Five thousand dollars and no/100----), lawful money of  
the United States.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

The above applicant/operator desires to drill a well or purchase or operate an  
existing well, the depth of which does not exceed 4,500 feet, to  
prospect for and produce oil, gas, or carbon dioxide resources on land owned by  
private individuals or the State of New Mexico, the particular identification and  
footage location of said well being as follows: 990 FNL & 1650 FWL,

in Section 33, Township  
6 South, Range 26 East, NMPM, Chaves County, New Mexico.

The applicant has deposited on behalf of the Division \$5,000.00, in the manner  
indicated on the attachment to this bond being the principal sum intended to be  
secured. Applicant pledges this sum as a guarantee that it, its executors, assigns,  
heirs or administrators shall plug the well described above if dry, or when abandoned,  
in accordance with the rules and orders of the Oil Conservation Division of the State  
of New Mexico in such way as to confine the oil, gas, and water in the strata in which  
they are found, and to prevent same from escaping to other strata. If the applicant  
does not so properly plug and abandon said well upon order of the Division, the total  
sum of the bond shall be forfeited to the Division, and such amount as is necessary  
may be used to properly plug said well. If the principal sum of this bond is less  
than the actual cost incurred by the Division in plugging said well, the applicant,  
its successors, assigns, heirs or administrators shall be liable under the provisions  
of Section 70-2-38 NMSA (1978) of the Oil and Gas Act, and the Division may take  
action, including the filing of legal proceedings, to recover any amounts expended  
over and above the principal sum of the bond.

NOW THEREFORE, if the above applicant or its successors, assigns, heirs, or  
administrators or any of them shall plug the above-described well when dry or  
abandoned, in accordance with the rules, regulations, and orders of the Division, in  
such a manner as to confine the oil, gas, and water in the strata in which they  
naturally occur, and to prevent them from escaping into other strata, and further to  
clean up the surface location of said well, then therefore, this obligation shall be  
null and void and the principal sum shall be paid to the applicant, or its successors,  
heirs, or administrator, otherwise it shall remain in full force and effect.

BRAN OIL CORPORATION

OPERATOR

P. O. BOX 2328, Roswell, NM 88202-2328

Address

By

F. Andrew Grooms

Signature

By: F. Andrew Grooms, Vice President

Title

ATTEST:

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

Allyson L. McClain

By: Allyson L. McClain, Secretary

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

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

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

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

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

### ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF NEW MEXICO )  
COUNTY OF CHAVES ) ss.

On this 18th day of September, 1989, before me personally appeared F. Andrew Grooms, to me personally known who, being by me duly sworn, did say that he is Five President of Bran Oil Corporation and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

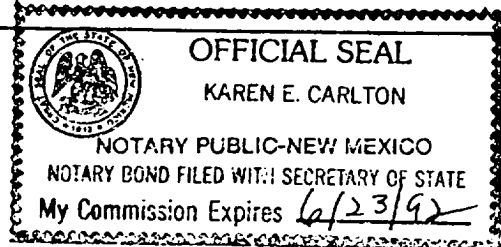
IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

June 23, 1992

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

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

*Karen E. Carlton*



APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By \_\_\_\_\_

Date \_\_\_\_\_

Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval, and San Juan Counties, New Mexico:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 5,000
5,000 feet to 10,000 feet	\$ 7,500
More than 10,000 feet	\$10,000

All Other Counties in the State:

<u>Projected Depth of Proposed Well or Actual Depth of Existing Well</u>	<u>Amount of Bond</u>
Less than 5,000 feet	\$ 7,500
5,000 feet to 10,000 feet	\$10,000
More than 10,000 feet	\$12,500