

RECEIVED  
1-27-60/11

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

STATE OF NEW MEXICO

ONE-WELL PLUGGING BOND

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

BOND NO. 436654  
AMOUNT OF BOND \$ 10,000  
COUNTY LEA

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

\*Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,500 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet. (See Rule 101)

File with Oil Conservation Division, 2040 So. Pacheco, Santa Fe, NM 87505

KNOW ALL MEN BY THESE PRESENTS:

That THREE SPAN OIL & GAS, INC., (An individual) (a partnership)  
(a corporation organized in the State of TEXAS, with its principal office in the city  
of MIDLAND, State of TEXAS, and authorized to do business  
in the State of New Mexico), as PRINCIPAL, and TRINITY UNIVERSAL INS. CO.,  
a corporation organized and existing under the laws of the State of  
TEXAS, and authorized to do business in the State of New  
Mexico, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil  
Conservation Division of New Mexico pursuant to Section 70-2-12, New Mexico Statutes Annotated, 1978  
Compilation, as amended, in the sum of \$ 10,000 Dollars lawful money of the United  
States, for the payment of which, well and truly to be made, said PRINCIPAL and SURETY hereby bind  
themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas lease, or carbon  
dioxide (CO<sub>2</sub>) gas leases, or helium gas leases, or brine mineral leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon  
dioxide (CO<sub>2</sub>) gas leases, or helium gas leases, or brine mineral leases on lands patented by the United  
States of America to private individuals, and on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has  
commenced or may commence the drilling of one well not to exceed a depth of \_\_\_\_\_  
feet, to prospect for and produce oil or gas, or carbon dioxide (CO<sub>2</sub>) gas or helium gas, or does own or  
may acquire, own or operate such well, or such well started by others on land embraced in said State oil  
and gas leases, or carbon dioxide (CO<sub>2</sub>) leases, or helium gas leases, or brine minerals, and on land  
patented by the United States of America to private individuals, and on land otherwise owned by private  
individuals, the identification and location of said well being being  
1980' from N. line & 1986.93' from W. line, Section 5, Township 12 (~~North~~) (South)

(Here state exact legal footage description)

Range 38 (East) (~~West~~), N.M.P.M., LEA County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or  
assigns, or any of them, shall plug said well when dry or when abandoned in accordance with the rules,  
regulations, and orders of the Oil Conservation Division of New Mexico in such way as to confine the oil,  
gas, brine, and water in the strata in which they are found, and to prevent them from escaping into other  
strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete  
compliance with any and all of said obligations, the same shall remain in full force and effect.

THREE SPAN OIL & GAS, INC.  
PRINCIPAL

TRINITY UNIVERSAL INS. CO.  
SURETY

PO BOX 51538, MIDLAND TX 79710  
Address

PO BOX 655028, DALLAS TX 75231  
Address

By [Signature]  
Signature  
PRESIDENT  
Title

[Signature]  
Attorney-In-Fact

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

(Note: Corporate surety affix corporate seal here.)



ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

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

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

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

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

My Commission Expires \_\_\_\_\_

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF TEXAS )  
COUNTY OF MIDLAND ) ss.

On this 27th day of January, 2000, before me personally appeared E. Earl Baldridge, to me personally known who, being by me duly sworn, did say that he is President of THREE SPAN OIL & GAS, INC. and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

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

02/04/00  
My Commission Expires  
RITA COX  
Notary Public  
STATE OF TEXAS

[Signature]  
Notary Public

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF TEXAS )  
COUNTY OF MIDLAND ) ss.

On this 28th day of January, 2000, before me appeared J. DAVID MIMS, to me personally known, who, being by me duly sworn, did say that he is PRESIDENT of MIMS & STEPHENS INSURANCE 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.

7-27-2002  
My Commission Expires

[Signature]  
Notary Public

(Note: Corporate surety attach power of attorney.)

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By: \_\_\_\_\_

RECEIVED  
FEB 28 2000  
10:00