

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

ASSIGNMENT OF CASH COLLATERAL

BOND NUMBER _____

BOND AMOUNT _____

FINANCIAL INSTITUTION _____

OPERATOR/PRINCIPAL _____

OGRID NUMBER _____

WELL/FACILITY _____

TYPE OF WELL Active Inactive Approved Temporary Abandonment

WELL DEPTH _____

LOCATION Section [_____] Township [_____] Range [_____]
County [_____]

API/ PERMIT NUMBER _____

1. _____ (“Operator/Principal”),
whose mailing address is _____,
_____ and who is authorized to do business in the State of New Mexico, has
deposited _____ Dollars (\$ _____)
in Account No. _____ (“Account”) with _____
_____ (Financial Institution), a federally insured financial institution located in
the state of New Mexico at _____,
_____ to secure Cash Bond No. _____.

2. Financial Institution shall hold the Account in trust for the Oil Conservation Division ("Division") of the Energy, Minerals and Natural Resources Department (or successor agency).

3. Operator/Principal assigns all right, title, and interest in the Account to the Division.

4. The Division may use the Account to satisfy any purpose or obligation under the applicable law for which Operator/Principal posted the Cash Bond.

5. The Division in its sole discretion may order Financial Institution to distribute the Account in any amount to any person, including the Division, without the consent of Operator/Principal.

6. Operator/Principal retains no right, title, or interest in the Account, except the right to interest, if any, and the return of the Account or such balance as exists following the Division's release of the Cash Bond or portion thereof.

7. Financial Institution shall not assign, transfer, pledge, or distribute the Account except upon the receipt of written notification from the Division or a court order entered in a proceeding to which the Division is a party.

8. Financial Institution waives all statutory and common law claims, liens, and rights, including set-off and recoupment, against the Account.

9. This Assignment of Cash Collateral shall be governed by the laws of the State of New Mexico.

10. The signatories represents and warrants that they have the authority execute this Assignment of Cash Collateral and to bind Operator/Principal and Financial Institution, as applicable. If the officer executing this Assignment of Cash Collateral on behalf of Financial Institution is not the President, Vice President, or Branch Manager, the Board of Directors of

Financial Institution has certified and attached hereto a resolution approving such officer to execute this instrument on its behalf.

OPERATOR/PRINCIPAL

Name Date: _____

Position

Entity

ACKNOWLEDGMENT OF OPERATOR/PRINCIPAL

State of _____)

SS.

County of _____)

This instrument was acknowledged before me by _____

on behalf of _____, this _____

_____ (Date).

Notary Public

My Commission Expires:
