

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

CASH BOND

- SINGLE WELL PLUGGING [19.15.8.9(C)(1); 19.15.8.9(D)(1) NMAC]
 - BLANKET PLUGGING [19.15.8.9(C)(2) NMAC; 19.15.8.9(D)(2) NMAC]
 - RECYCLING FACILITY OR CONTAINMENT [19.15.34.15 NMAC]
 - SURFACE WASTE MANAGEMENT FACILITY [19.15.36.11 NMAC]
 - WQCC DISCHARGE PERMIT (EXCLUDING UIC WELLS) [20.6.2.3107.A(11) NMAC]
 - WQCC DISCHARGE PERMIT FOR UIC CLASS I, III, and V INJECTION WELLS [20.6.2.5006 NMAC; 20.6.2.5210.B(17) NMAC; 20.6.2.5320 NMAC; 20.6.2.5342(A) (1) NMAC; 20.6.2.5361(A)(3) NMAC; 20.6.2.5362(A)(3) NMAC; 20.6.2.5363 NMAC]
 - ABATEMENT PLAN [19.15.30.11(C) NMAC; 20.6.2.4104(C) NMAC]
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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”),¹
whose mailing address is _____,
_____ and who is authorized to do business in the State of New Mexico, submits this Cash
Bond in the sum of _____ Dollars (\$_____.00), to
the Oil Conservation Division (“OCD”) of the New Mexico Energy, Minerals and Natural Resources
Department (or successor agency).

2. Operator/Principal represents and warrants that it has deposited the specified amount in a Cash
Bond on behalf of OCD with _____
 (“Financial Institution”) in Account Number _____ (“Account”).

3. Operator/Principal and Financial Institution have executed the attached collateral assignment
of the Account to OCD which provides that only OCD may authorize withdrawals from the Account prior to
its release in accordance with paragraph 5.

4. This Cash Bond secures Operator/Principal's obligations under the applicable statutes and
rules in effect on the date of execution and as may thereafter be adopted, including the plugging and
abandonment of wells and the operation and closure of wells and facilities, including abatement, remediation,
reclamation, restoration, monitoring, and post-closure care, as applicable.

5. This Cash Bond shall remain in effect until released by OCD upon a determination that
Operator/Principal has complied with the obligations stated herein.

6. This Cash Bond shall be forfeited in accordance with the applicable procedures if OCD
determines that Operator/Principal failed to comply with an obligation hereunder.

7. OCD reserves the right to demand reimbursement from Operator/Principal or its successors,
heirs, or personal representatives if this Cash Bond is less than the actual cost incurred by OCD to plug and
abandon a well or close a facility, including remediation, reclamation, and restoration, as applicable in
accordance with the Oil and Gas Act, NMSA 1978, § 70-2-1 et seq.

¹ If the Operator/Principal is an individual doing business as an entity, state the individual's name and the entity, e.g.,
John Doe dba ABC Services.

