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

### SURETY BOND

<table>
<thead>
<tr>
<th>Bond Type</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>[ ]</td>
<td>SINGLE WELL PLUGGING [19.15.8.9(C)(1); 19.15.8.9(D)(1) NMAC]</td>
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<td>[ ]</td>
<td>BLANKET PLUGGING [19.15.8.9(C)(2) NMAC; 19.15.8.9(D)(2) NMAC]</td>
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<tr>
<td>[ ]</td>
<td>RECYCLING FACILITY OR CONTAINMENT [19.15.34.15 NMAC]</td>
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<td>[ ]</td>
<td>SURFACE WASTE MANAGEMENT FACILITY [19.15.36.11 NMAC]</td>
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<td>[ ]</td>
<td>WQCC DISCHARGE PERMIT (INCLUDING CLASS I, III, and V INJECTION WELLS) [20.6.2.3107.A(11) NMAC; 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]</td>
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<tr>
<td>[ ]</td>
<td>ABATEMENT PLAN [19.15.30.11(C) NMAC; 20.6.2.4104(C) NMAC]</td>
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</tbody>
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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 | ____________________________ |
KNOW ALL MEN BY THESE PRESENTS:

That ____________________________________________________________, (an individual – if dba must read – Example: John Doe dba ABC Services) (a general partnership) (a corporation) (limited liability company) (limited partnership) organized in the State of _______________ , and authorized to do business in the State of New Mexico), as PRINCIPAL, and ____________________________, a corporation organized and existing under the laws of the State of _______________ and authorized to do business in the State of New Mexico, as SURETY, are 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 (or successor agency) (the DIVISION), pursuant to NMSA 1978, Section 70-2-14, as amended, in the sum of $ __________ ______, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors, and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are one of the following:

1. WHEREAS, the PRINCIPAL has commenced or may commence the drilling of one well to a depth not to exceed _________ feet, to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas, or brine minerals, or as an injection or other service well related to such exploration or production, or owns or operates, or may acquire, own, or operate such well, the identification and location of said well being:

_________________________ API No. 30- __, ____________,

(Name of Well)

located _________ feet from the (North/South) line and _______ feet from the (East/West) line of Section ________, Township ______ (North) (South), Range _____ _____ (East) (West), NMPM, ____________________ County, New Mexico.

2. WHEREAS, the 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, Basic Sediment & Water, tank bottoms, waste oil or other oil field related waste in Section _________, Township ________, Range ____, NMPM, County ____________________, New Mexico.
3. The OPERATOR/PRINCIPAL(APPLICANT/PERMITTEE) has or may enter into the collection, treatment, storage, recycling, and re-use of produced water in Section_____, Township ______, Range ____________,NMPM, County ________________, New Mexico ("Facility"). ISSUER has been advised that OPERATOR/PRINCIPAL has requested this Bond as security for OPERATOR/PRINCIPAL’s compliance with all laws and rules applicable to such activities, including, but not limited to, proper closing and remediation of the Facility.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall cause said well be properly plugged and abandoned when dry or when no longer productive or useful for other beneficial purpose, in accordance with the rules and orders of the DIVISION, Oil Conservation Commission, or a court of competent jurisdiction, including but not limited to 19.15.8.9 and 19.15.25.10 NMAC, as such rules now exist or may hereafter be amended;

THEN AND IN THAT EVENT, 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.

PRINCIPAL

________________________________________
Address

By ______________________________________
Signature

________________________________________
Title

SURETY

________________________________________
Address

________________________________________
Attorney-in-Fact

Corporate surety, affix Corporate seal below:

IF PRINCIPAL is a corporation, affix Corporate Seal below:
ACKNOWLEDGMENT FOR INDIVIDUAL
(If dba, must read – Example: John Doe dba Well Services)

State of ____________)  
   SS.  
County of ____________)  

This instrument was acknowledged before me on this _____ day of ________________, 20___, by __________________________.  
   (Name of Individual)  

__________________________  
   Notary Public  

SEAL  

My Commission Expires:  
__________________________  

ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION, OR LIMITED LIABILITY COMPANY

State of ____________)  
   SS.  
County of ____________)  

This instrument was acknowledged before me on this _____ day of ________________, 20___, by __________________________ of  
   (Capacity, e.g., partner, president, manager, member, company)  

__________________________  
   (Name of Partnership, corporation, or limited liability company)  

__________________________  
   Notary Public  

SEAL  

My Commission Expires:  
__________________________
ACKNOWLEDGMENT FOR CORPORATE SURETY

State of __________ )
    SS.
County of __________ )

This instrument was acknowledged before me on this____day of ______________________, 20________, by ________________________________ of
                             (Name of Attorney-in-Fact)
______________________________________________________________________________
                             (Name of Corporate Surety)

______________________________________
Notary Public

SEAL

My Commission Expires:

______________________________________

CORPORATE SURETY ATTACH
POWER OF ATTORNEY

APPROVED BY:
OIL CONSERVATION DIVISION OF
NEW MEXICO

By ________________________________

Date ________________________________