

*ONLINE Version*

**NEW MEXICO STATE LAND OFFICE – Oil, Gas, and Minerals Division**  
**BOND FOR CONTRACT PERFORMANCE AND SURFACE OR IMPROVEMENT DAMAGE**  
**Surface Improvement Damage Megabond**

BOND NO. \_\_\_\_\_  
(For use of Surety Company)

BOND NO. \_\_\_\_\_  
(For use of State Land Office)

Know all men by these presents

\_\_\_\_\_, as **Principal**,  
and \_\_\_\_\_, as **Surety**, a corporation organized,  
existing and doing business under and by virtue of the laws of the State of \_\_\_\_\_ and  
authorized to transact a surety business in the State of New Mexico, are held and firmly bound unto the New Mexico  
Commissioner of Public Lands in the sum of **Twenty-five Thousand Dollars (\$25,000)** for the following uses:

1. *For the use and benefit of the Commissioner, to secure the performance of said Principal as lessee under one or more state leases or permits for minerals, oil and gas, coal or geothermal resources or as holder under one or more state rights-of-way or easements which Principal has heretofore executed or may hereafter execute with the Commissioner; and*

2. *For the use and benefit of the Commissioner, state surface lessees, state land contract purchasers, state patentees, and their successors and assigns, to pay for damages to the surface of lands subject to a state lease or permit for minerals, oil and gas, coal or geothermal resources or a state right-of-way or easement held by Principal, or for damages to surface improvements located thereon, suffered by reason of Principal's operations under a state lease or permit for minerals, oil and gas, coal or geothermal resources or under a state right-of-way or easement.*

*For the payment of said sum, well and truly to be made, Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.*

*The conditions of the foregoing obligations are:*

1. *If the above bound Principal or its successors or assigns shall well and truly perform and keep all terms, covenants, conditions, and requirements of all state leases for minerals, oil and gas, coal or geothermal resources and of all state rights-of-way and easements heretofore or hereafter executed by the Commissioner and Principal, including the payment of royalties when due and compliance with all established mining plans; and*

2. *If Principal or its successors or assigns shall in all respects make good and sufficient recompense, satisfaction or payment to the Commissioner of Public Lands for damages to the surface of lands subject to a state lease or permit for minerals, oil and gas, coal or geothermal resources or a state right-of-way or easement held by Principal and for damages to livestock, water, crops, tangible improvements or surface improvements of any kind located thereon suffered by reason of Principal's operations under such state lease, permit, right-of-way or easement heretofore or hereafter executed by the Commissioner and Principal;*

*THEN, the obligation to pay the sum of Twenty-five Thousand Dollars (\$25,000) shall be null and void.*

*If, however, Principal shall default or otherwise fail in performance under such state lease, permit, right-of-way or easement, including the failure to pay royalties when due or to comply with established mining plans, or if Principal shall fail or refuse to make good and sufficient recompense, satisfaction or payment to the Commissioner for damages to the surface of the above designated lands or to improvements located thereon, then the obligation to pay said sum shall remain in full force and effect.*

*The liability of Surety upon this bond shall not expire upon the termination of any state lease or permit or any*



