Commissioner of Public Lands
State of New Mexico

DAMAGE BOND FOR FRESH WATER EASEMENTS

File with: New Mexico State Land Office
Oil, Gas and Minerals Division
310 Old Santa Fe Trail, Santa Fe, NM 87501
P.O. Box 1148, Santa Fe, NM 87504-1148

Surety No.___________________
Surety Name ____________________

BOND NO.___________________
(For use of NMSLO)
EASEMENT NO.___________

KNOW ALL PERSONS BY THESE PRESENTS:

Grantee Name: ________________________________
Grantee’s Mailing Address: ________________________________
State in which Grantee is Organized: ____________________________

Surety Name: ______________________________________
Surety Mailing Address: ________________________________
State in which Financial Institution is Organized: __________________________

WHEREAS, Grantee, authorized to do business in the State of New Mexico, and Surety, authorized by the Superintendent of Insurance to do business in the State of New Mexico, pursuant to the Commissioner of Public Land’s authority to manage state trust land, easements and leases in Sections 19-2-1 and 19-2-2 NMSA 1978, are jointly and severally firmly bound to the State of New Mexico’s State Land Office (“NMSLO”), or its successor, for payment in the amount of ________________ dollars and Zero cents ($000.00).

WHEREAS, Grantee holds a Water Easement No. ______ (“Easement”) from NMSLO, and has installed _____ ( ) fresh water well(s) and associated improvements and equipment on the State Trust Land described in and covered by said Easement, located in Section _____, Township _______ , Range_________ , N.M.P.M., ____________ County, New Mexico (“the Easement Land”). The construction and operation of Grantee’s water well(s), associated improvements and equipment will cause surface and subsurface impacts to the Easement Land.

WHEREAS, Grantee and Surety expressly agree, under this Bond obligation, to cause and ensure compliance with all performance requirements of the Easement, including the proper removal of improvements and equipment, plugging and abandoning of any or all wells, remediation, reclamation and restoration of the Easement Land, and also including the requirements of Easement Paragraphs 11, 16 and 23, any and all costs, fees, annual and per barrel rental payments, and fines in the Easement, 19.2.12 NMAC, and any other applicable rules or laws (“Obligations”). Grantee and Surety further expressly agree that the Obligations of this Bond also include any costs, fees (including reasonable attorney’s fees) incurred by NMSLO in enforcing any Obligations covered by this Bond, including the collection and forfeiture of this Bond. Actions involving this bond shall only be brought
in the First Judicial District Court of New Mexico, under the laws of the State of New Mexico. Provided however, that execution of this bond shall not require any action in court by the Commissioner. Additionally, Grantee and Surety expressly agree that the Obligations of this Bond include any damages to any surface lessee of the Easement Land or to livestock, range, water, crops, tangible improvements or surface improvements suffered by reason of Grantee’s operations on the Easement Land that are suffered by NMSLO or under any state lease, permit, right-of-way or easement heretofore or hereafter executed by the Commissioner of Public Lands.

WHEREAS, Grantee and Surety agree to complete or make good and sufficient recompense, satisfaction or payment to NMSLO, for all Obligations under this Bond.

THEN AND IN THAT EVENT, this Bond and the Obligations shall be null and void; otherwise, and in default of complete compliance with any and all of said Obligations, this Bond shall remain in full force and effect.

PROVIDED, HOWEVER, that thirty (30) days after receipt by NMSLO’s Oil, Gas and Minerals Division of written notice of cancellation from the Surety, the obligation of the Surety shall terminate as to any Obligations placed and arising on or from the Easement or Easement Land after the said 30-day period, but shall continue in effect, notwithstanding said notice, as to Obligations placed or arising on or from the Easement or Easement Land before the 31st day after receipt of said notice; under such circumstances, the determination of what Obligations were placed and arising on or from the Easement or Easement Land as of the 31st day after receipt of said notice shall be made exclusively by NMSLO. The liability of Surety on this Bond shall not expire upon the termination of the Easement, but shall remain in full force and effect until released in writing by the Commissioner of Public Lands.

Signed and sealed this _____ day of ______________, 20____.

_____________________________   ________________________
PRINCIPAL Signature          SURETY Signature

_____________________________
Printed Name and Title

_____________________________
Printed Name and Title

_____________________________
Street Address

_____________________________
Street Address

_____________________________
City, State and Zip Code

_____________________________
City, State and Zip Code

Note: If Principal is a corporation, affix corporate seal here.

Note: If corporate surety, affix corporate seal here.

[Acknowledgements on subsequent pages]
ACKNOWLEDGMENT FORM FOR NATURAL PERSONS:

STATE OF ______________________________)  
COUNTY OF ______________________________)  

On this _____ day of ____________, 20____, before me personally appeared  
________________________________________ to me known to be the person(s) described in and who  
executed the same as (his, her, 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.  

My Commission Expires  Notary Public printed name  Notary signature  
(Notary seal)  

ACKNOWLEDGMENT FORM FOR CORPORATION, PARTNERSHIP,  
OR LIMITED LIABILITY COMPANY  

STATE OF ______________________________)  
COUNTY OF ______________________________)  

This Instrument was acknowledged before me on this _______ day of ______________  
20____ by _____________________________ as  
(Name of Person Signing Instrument ) (Capacity, e.g. President, Partner, Manager, Member)  
of _________________________________, signed and sealed on behalf of said  
(Name of Corporation, Partnership, Limited Liability Company)  

entity by appropriate authority on behalf of said corporation, partnership or limited liability company.  

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

My Commission Expires  Notary Public name  Notary signature  
(Notary seal)
ACKNOWLEDGMENT FORM FOR CORPORATE SURETY:

STATE OF _______________________________)  
COUNTY OF _______________________________)  

This Instrument was acknowledged before me on this ___________ day of __________________, 20_____, by_________________________, as Attorney-in-Fact for ___________________.  

(Name of Attorney-in-Fact) (Name of Corporate Surety)  

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

__________________________  
My Commission Expires  
(Notary Public name)  
(Notary signature)  
(Notary seal)  

(Note: Corporate surety attach power of attorney.)  

ACKNOWLEDGED this ________ day of _______________, 20_____.  

________________________________________  
COMMISSIONER OF PUBLIC LANDS  

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