NEW MEXICO STATE LAND OFFICE
BOND FOR PERFORMANCE AND SURFACE OR IMPROVEMENT DAMAGE OF MINERAL LEASE

KNOW ALL MEN BY THESE PRESENTS:

That ___________________________________________ as Principal, and _________________________________________________________________ a corporation organized, existing and doing business under and by virtue of the laws of the state of ____________________________ and authorized to do business in the State of New Mexico, as Surety:

In OBLIGATION 1: Are held and firmly bound unto the State of New Mexico, for the use and benefit of the Commissioner of Public Lands in the sum of ________________________ Dollars ($_______________), for the purpose named in WHEREAS 1 and CONDITION 1 below, for the payment of which, well and truly to be made, we bind ourselves, our heirs, successors and assigns, and each and every one of them and us jointly and severally firmly by these presents;

And in OBLIGATION 2: Are held and firmly bound unto the State of New Mexico, for the use and benefit of holders of State purchase contracts or holders of deeds for state lands, with minerals reserved, in the further sum of ________________________ Dollars ($_______________) for the payment of which, well and truly to be made, we bind ourselves, our heirs, successors and assigns, and each and every one of them and us jointly and severally, firmly by these presents.

Signed with our hands and sealed with our seals, this ________________________

The conditions of the foregoing obligations are such that:

WHEREAS 1, the said principal has entered into a mining lease with the State of New Mexico through its Commissioner of Public Lands, said lease being designated in the Office of the Commissioner of Public Lands as __________________________, the original of which is in the files of the State Land Office.

CONDITION 1:

NOW THEREFORE, if the said principal in all respects shall comply with all and singular the terms, provisions and conditions of the said lease;

THEN, THEREFORE, Obligation 1 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.

WHEREAS 2, all or part of the lands embraced in said lease has been leased for surface purposes or sold, with minerals reserved to the State of New Mexico, to a purchaser who holds either a limited patent from the State of New Mexico or a state purchase contract, entitling the holder of said contract to such limited patent upon complete payment, as shown by the official records of the Commissioner of Public Lands;

CONDITION 2:

AND, FURTHER, if the said principal in all respects shall make good and sufficient reccompense, satisfaction and/or payment unto the holder, or his successors in interest of any said surface lease, state purchase contract or any said limited patent for State Lands for all damages to the livestock, water, crops or tangible improvements on such lands as may be suffered by such holder, or his successors in interest, by reason of such mining development, use or occupancy of such lands by the said lessee, or principal, during the entire period of such mining operations, or for such damages as a court of competent jurisdiction may determine and fix in any action brought on this bond.

THEN, THEREFORE, Obligation 2 shall be null and void; otherwise and if default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

The intentions of the parties hereto are in effect the creation of two bonds with the same parties and same date but with different obligations and conditions, in one instrument, for the sake of simplicity and convenience, as much as though such undertaking were actually separate bonds; the fulfillment or release of one obligation does not release the other and two obligations exist only when a sum is named in both obligations. When no sum is named, in Obligation 2, that part of this instrument pertaining to Obligation 2 is to be disregarded.

_______________________________________________
Principal

_______________________________________________
Principal

BY____________________________________________
Surety

COUNTERSIGNED BY:

_______________________________________________
Resident Agent

_______________________________________________
, New Mexico

Rules 2 – 7 - Rev 01-27-03
ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY

State of __________________________
County of __________________________

This instrument was acknowledged before me on __________________________ (date) by __________________________ (name(s) of person(s))

_________________________________________________
Signature of Notarial Officer

Printed Name: __________________________
(Notary)

(Seal)

My commission expires: __________________________

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

State of __________________________
County of __________________________

This instrument was acknowledged before me on __________________________ (date) by __________________________ (name(s) of person(s))

as __________________________ (type of authority, e.g., officer, trustee, etc.) of __________________________
(name of party on behalf of whom instrument was executed.)

_________________________________________________
Signature of Notarial Officer

Printed Name: __________________________
(Notary)

(Seal)

My commission expires: __________________________