

**NEW MEXICO STATE LAND OFFICE  
INSTRUCTION SHEET FOR FILING A MINERAL LEASE SURETY**

The following options are available to the principal/lessee:

**1. Corporate Surety Bond**

An authorized officer of corporation and the surety company execute Bond Form and return to State Land Office.

**2. Cash Damage Bond (a) or (b)**

(a) Deposit in the Office of the Commissioner of Public Lands the required surety amount. Bond Form shall be used, eliminating only those portions provided for corporate surety companies. The form will be filed with the appropriate remittance. No interest will be earned by the remitter.

(b) Deposit in a solvent State of New Mexico savings institution the appropriate amount required. Complete the Bond Form, eliminating those portions provided for corporate surety companies. Obtain signatures from authorized officers of corporation and savings institution, execute Cash Collateral form and return to State Land Office with appropriate remittance. Interest will be earned by remitter. The State Land Office will not accept any type of bond or surety that specifies an expiration date.

<u>LEASE TYPE</u>	<u>PERFORMANCE BOND</u>	<u>SURFACE DAMAGE BOND</u>
<b>GENERAL MINING</b> Rule 2	\$2,000.00 each lease Under Rule 2, Megabond is not eligible for surety of royalties or reclamation	\$5,000.00 each lease
<b>POTASH</b> Rule 3	\$500.00 per partial or full section	After Production Commences: Performance and Damage \$10,000.00
<b>SALT</b> Rule 4	\$500.00 each lease \$1,000.00 blanket bond	
<b>SAND &amp; GRAVEL CALICHE</b> Both Covered in Rule 5	\$2,000.00 each lease	\$5,000.00 each lease
<b>COAL</b> Rule 6	Exploration Surety: \$15.00 per acre	\$20,000.00 each lease
<b>GEOHERMAL</b> Rule 7	\$2,000.00 each lease	\$5,000.00 each lease

\$25,000.00 Megabond, with the approval of the Commissioner, will cover surface damage obligation and the performance of the lessee under one or more state leases or permits, for oil and gas, coal or geothermal resources and of all state rights of way and easements, except where noted above.

**NOTE:** The minimum bonding amount shown above for each lease category will be acceptable by the Commissioner unless and until it is determined that such amount is inadequate in a given case, or a greater amount is required in a given region.