

NEW MEXICO STATE LAND OFFICE – Oil, Gas, & Minerals Division
IMPROVEMENT DAMAGE BOND FOR OIL & GAS LEASES
ONE LEASE BOND -- ONLINE Version

BOND NO. _____
(For use of Surety Company)

BOND NO. _____
(For use of Land Office)

KNOW ALL MEN BY THESE PRESENTS

LEASE NO. _____

That _____, *(an individual) (a partnership) (a corporation organized in the State of _____, with its principal office in the City of _____ 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 held firmly bound unto the State of New Mexico, for the use and benefit of the New Mexico State Land Office and its lessees holding grazing or patent to state lands, with minerals reserved, their grantees, and successors in interest, pursuant to Section 19-10-26 NMSA 1978, as amended, in the sum of **Ten Thousand (\$10,000)** lawful money of the United States, for the payment of which well and truly to be made, said **PRINCIPAL and SURETY** hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, the above principal has heretofore or may hereafter enter into an oil and gas lease with the State of New Mexico; and

WHEREAS, said lease was entered into by the said principal, subject to the requirements of the provisions of Section 19-10-26 NMSA 1978, as amended; and

WHEREAS, all or part of the lands embraced in said oil and gas lease has been leased for grazing or agricultural purposes or has been sold, with minerals reserved to the State of New Mexico, to various purchasers who hold limited patents from the State of New Mexico or State purchase contracts; and

WHEREAS, the above principal, individually, or in association with one or more other parties, has commenced or may commence development or operations upon the land embraced in the aforesaid oil and gas lease.

NOW THEREFORE, if the above bounden principal and surety or either of them or their successors or assigns, or any of them, upon demand shall make good and sufficient recompense, satisfaction or payment unto the New Mexico State Land Office and its holders of State grazing or agricultural leases, State purchase contracts, or State patents, with minerals reserved to the State, and their heirs, executors, administrators, successors and assigns, for all damages to livestock, range, water, crops, or tangible improvements on such lands as may be suffered by the New Mexico State Land Office and its lessees and purchasers or their successors in interest, by reason of such development, use or occupancy of such lands by such principal, or for such damages including attorneys' fees as a court of competent jurisdiction may determine and fix in any action brought on this bond.

THEN THEREFORE, 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.

SIGNED AND SEALED this _____ day of _____, 20_____.

PRINCIPAL

SURETY

Address

Address

BY _____
Signature

By _____
Attorney-in-Fact Signature

Title _____
(Note: Principal, if corporation, affix corporate seal here.)

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS:

STATE OF _____)
) ss.
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 name _____
Notary signature
(Notary seal)

ACKNOWLEDGMENT FORM FOR CORPORATION:

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____,
to me personally known, who, being by me duly sworn, did say that s/he is _____ of
_____ and that this instrument was signed and sealed on behalf of said corporation
by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

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 _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20____, before me personally appeared _____
to me personally known, who, being by me duly sworn, did say that s/he is _____ of
_____ and that this instrument was signed and sealed on behalf of said corporation by
authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

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.)

APPROVED this _____ day of _____, 20____.

COMMISSIONER OF PUBLIC LANDS

NOTE: File with: Commissioner of Public Lands; New Mexico State Land Office OGMD ;
P.O. Box 1148; Santa Fe, New Mexico 87504-1148

BEFORE any development or operations are commenced.

Revised for web October 2004 -- **ONLINE Version**