

SECTION 5.

BOND OF OIL AND GAS OPERATOR FOR DRILLING OPERATIONS

ON PATENTED LAND



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API 0756051

The following form of bond is prescribed for use in compliance with the requirements of these regulations:

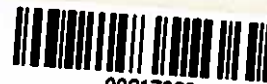
KNOW ALL MEN BY THESE PRESENTS, That we, R. T. McDermott and Paul F. Barnhart of the county of _____, in the State of _____, as principal and Phoenix Indemnity Company, as surety, authorized to do business in the State of Colorado are held and firmly bound unto the State of Colorado in the sum of Two Thousand dollars, lawful money of the United States to be paid to the State of Colorado, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns, jointly and severally by these presents.

Signed with our hands and sealed with our seals this 13th day of August, in the year of Our Lord One Thousand Nine Hundred and fifty-one.

The condition of the foregoing obligation is such that the said principal agrees to file with the State Oil Inspector all Sundry Notices, embodying details of plan of work for each well, and carry on all operations in accordance with approved methods and practices and in conformity with the operating regulations of the Gas Conservation Commission without expense to the State of Colorado; and take all reasonable precautions to prevent waste of oil or gas, or damage to deposits bearing oil or gas or water by the entrance of water through well drilled by, or on behalf of the principal to the oil sands or oil bearing strata, to the destruction or damage of the oil or gas deposits, or to coal measures or other mineral deposits, or injury to life or property or economic waste and to properly plug and abandon any or all wells as required by the aforesaid operating regulations.

NOW THEREFORE, if said principal shall promptly repair so far as possible any damage that may result to the oil and gas strata or any mineral bearing formation resulting from improper methods of operations of said principal heretofore or hereafter conducted, or from failure to comply fully with the aforesaid rules and regulations, then the above obligation is to be void and of no effect; otherwise to remain in full force and virtue.

Signed, sealed and delivered in the presence of



00217323

Harry A. Trumble
James L. Boatman

R. T. McDermott By John J. Jones
(R. T. McDermott)
Paul F. Barnhart By John J. Jones
(Paul F. Barnhart) Principal

PHOENIX INDEMNITY COMPANY

Surety

Approved John J. Jones
State Oil Inspector

BY Frank C. Broemmel
Attorney-in-Fact

Dated Aug 22 1951