



Bond #: _____

OIL AND GAS BOND COVER SHEET

An operator who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of a well, or who acquires a well, shall file with the supervisor an indemnity bond or deposit in lieu of bond. Public Resources Code sections (PRC) 3204, 3205, 3205.1, 3205.2, and 3205.5. The bond or deposit in lieu of bond shall be filed with the supervisor at the time of the filing of the notice of intention to perform work on the well or at the time of purchase, transfer, assignment, conveyance, exchange, or other disposition of the well. PRC sections 3202, 3204, and 3205.1.

When posting a bond or deposit in lieu of bond, please return this Bond Cover Sheet, the applicable form, and any additional information described in the instructions section.

Form of bond or deposit in lieu of bond:

- Surety Bond Bond Rider Certificate of Deposit Share Account
 Note Savings Account Share Certificate Investment Certificate

Purpose	Covered wells and facilities (Blanket / Individual)
<input type="checkbox"/> Individual Well less than 10,000 feet	Name of Well(s) or Facility/Facilities
<input type="checkbox"/> Individual Well 10,000 or more feet	
<input type="checkbox"/> Commercial Waste Disposal Well	
<input type="checkbox"/> Blanket - 20 to 50 Wells	Section, TWP, Range, Meridian
<input type="checkbox"/> Blanket - 51 to 500 Wells	
<input type="checkbox"/> Blanket - 501 to 10,000 Wells	
<input type="checkbox"/> Blanket -Over 10,000 Wells	
<input type="checkbox"/> Offshore Blanket Well 1 or more	County:
<input type="checkbox"/> Bond Rider	
<input type="checkbox"/> Additional financial security	

Applicable Amounts

1. Less than 10,000 feet total depth----- \$25,000 (INDIVIDUAL)
2. At least 10,000 feet or greater total depth-----\$40,000 (INDIVIDUAL)
3. 20 to 50 onshore wells ----- \$200,000 (BLANKET)
4. 51 to 500 onshore wells ----- \$400,000 (BLANKET)
5. 501 to 10,000 onshore wells ----- \$2,000,000 (BLANKET)
6. 10,001 or more onshore wells ----- \$3,000,000 (BLANKET)
7. 1 or more offshore wells ----- \$1,000,000 (BLANKET)
8. Transfers - A bond for each well as required under PRC sections 3204, 3205, or 3205.1.
9. Additional securities -----Varies



Department of Conservation Geologic Energy Management Division Surety Bond

Public Resources Code §§ 3204, 3205, 3205.1, and 3205.2

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned _____ [Name of Individual] d/b/a _____ [Name of Company (Principal)] _____ [Address], as Principal, and _____ [Name of Surety Company] _____

_____ [Address] organized and existing under the laws of the State of _____ and licensed to do business in the State of California, as Surety, are held and firmly bound unto the Department of Conservation, Geologic Energy Management Division in the penal sum of _____ DOLLARS (\$ _____), for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns. In the event of forfeiture by the Principal, the Obligee agrees that, in the aggregate, it shall not demand in excess of the penal sum of this bond.

THE CONDITION OF THE ABOVE OBLIGATIONS is that that if above bounden Principal, shall well and truly comply with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code and shall obey all lawful orders of the State Oil and Gas Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in that division, and shall pay all charges, costs, and expenses incurred by the supervisor or the district deputy or deputies in respect of the well or wells or the property or properties of the principal, or assessed against the well or wells or the property or properties of the principal, in pursuance of the provisions of that division, then this obligation shall be void; otherwise, it shall remain in full force and effect. Now, if the Principal completes all obligations, the bond may only be terminated and cancelled, and the surety relieved of all obligations thereunder in accordance with the provisions of Section 3207 of the Public Resources Code.

The amount of Surety's liability may only be reduced by the Department of Conservation, Geologic Energy Management Division. If the penal sum of this bond requires adjustment, it shall be by use of an Increase/Decrease Rider.

The Surety will give notice of cancellation of the bond at least 120 days prior to such cancellation and prompt notice to the Principal and the Department of Conservation, Geologic Energy Management Division of any of the follow: 1) any notice received or action filed alleging the insolvency or bankruptcy of the Surety, 2) any notice received alleging any violations or regulatory requirements which could result in suspension or revocation of the Surety's license to do business, 3) the Principal has failed to renew or pay associated premium causing the bond to lapse.

In the event the Surety becomes unable to fulfill its obligations under the bond for any reason, notice shall be given immediately to the Principal and the Department of Conservation, Geologic Energy Management Division. Upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage in violation of the Public Resources Code.

IN WITNESS THEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

Date: _____



(Company – [Principal])

By: _____

(Signature of Individual)

Title: _____

SEAL OF PRINCIPAL

I declare under penalty of perjury, under the laws of the State of California, that I have executed the foregoing bond under an unrevoked Power of Attorney.

(Surety Company)

SEAL OF SURETY

By: _____

(Signature of Attorney-in-Fact for Surety)

Typed or Printed Name

Title: _____

Executed in [City and State] on [Date] under the laws of the State of California.

Where one signs by virtue of a Power of Attorney for a Surety Company, such fully executed Power of Attorney must be filed with this bond.

Please identify the agent acting on behalf of the surety who will accept notices, papers, and other documents, if applicable.

Agent: _____ Title: _____

Address: _____

Phone Number: _____ Email Address: _____

COMPLETED NOTARIZED ACKNOWLEDGMENT OF PERMITTEE [PRINCIPAL]

[Attach loose notarial certificate]

COMPLETED NOTARIZED ACKNOWLEDGMENT OF SURETY

[Attach loose notarial certificate]



Department of Conservation Geologic Energy Management Division Public Resources Code § 3207 Surety Bond General Purpose Rider

To be attached to and form a part of Surety Company Bond number _____, written by _____ as SURETY, on behalf of _____ as Principal, in the penal sum of _____ DOLLARS (\$_____), in favor of the Department of Conservation, Geologic Energy Management Division and executed on _____ [Date].

Whereas the above-named Principal

Now, therefore, the purpose of this rider is: _____

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

IN WITNESS THEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

PRINCIPAL

Date: _____

Company

By: _____

Corporate Officer/Partners/Sole Proprietor

Typed or Printed Name

Title: _____

SURETY

I declare, under penalty of perjury, under the laws of the State of California, that I have executed the foregoing rider under an unrevoked Power of Attorney.

(Surety Company)

By: _____

(Signature of Attorney-in-Fact for Surety)

Typed or Printed Name

Title: _____

Executed in _____ [City and State] on _____ [Date] under the laws of the State of California.

Where one signs by virtue of a Power of Attorney for a Surety Company, such fully executed Power of Attorney must be filed with this bond.

Please identify the agent acting on behalf of the surety who will accept notices, papers, and other documents, if applicable.

Agent: _____ Title: _____



Address: _____

Phone Number: _____ Email Address: _____

COMPLETED NOTARIZED ACKNOWLEDGMENT OF PERMITTEE [PRINCIPAL]

[Attach loose notarial certificate]

COMPLETED NOTARIZED ACKNOWLEDGMENT OF SURETY

[Attach loose notarial certificate]



Department of Conservation Geologic Energy Management Division Public Resources Code § 3205.5

Note

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned [Name of Individual] d/b/a [Name of Company (Principal)] [Address], as Principal, and [Name of Bank holding the Note]

[Address] organized and existing under the laws of the State of [State] and licensed to do business in the State of California, are held and firmly bound unto the Department of Conservation, Geologic Energy Management Division in the penal sum of [Amount] DOLLARS (\$[Amount]), for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns. In the event of forfeiture by the Principal, the Obligee agrees that, in the aggregate, it shall not demand in excess of the penal sum of this Note.

THE CONDITION OF THE ABOVE OBLIGATIONS is that that if above bounden Principal, shall well and truly comply with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code and shall obey all lawful orders of the State Oil and Gas Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in that division, and shall pay all charges, costs, and expenses incurred by the supervisor or the district deputy or deputies in respect of the well or wells or the property or properties of the principal, or assessed against the well or wells or the property or properties of the principal, in pursuance of the provisions of that division, then this obligation shall be void; otherwise, it shall remain in full force and effect. Now, if the Principal completes all obligations, the Note may only be released and the Principal relieved of all obligations thereunder in accordance with the provisions of Section 3207 of the Public Resources Code.

The amount of Principal's liability may only be reduced by the Department of Conservation, Geologic Energy Management Division.

IN WITNESS THEREOF, the Principal and Bank have hereunto set their signatures and seals as of the dates set forth below.

Date: [Signature line] (Company – [Principal])

SEAL OF PRINCIPAL

By: [Signature line] (Signature of Individual) Title: [Signature line]

I declare under penalty of perjury, under the laws of the State of California, that I have executed the foregoing bond under an unrevoked Power of Attorney.

[Signature line] (Bank) SEAL OF BANK By: [Signature line] (Signature of Attorney-in-Fact for Surety)



Typed or Printed Name

Title: _____

Executed in _____ [City and State] on _____
_____ [Date] under the laws of the State of California.

Where one signs by virtue of a Power of Attorney for a Surety Company, such fully executed Power of Attorney must be filed with this bond.

Please identify the agent acting on behalf of the Bank who will accept notices, papers, and other documents, if applicable.

Agent: _____ Title: _____

Address: _____

Phone Number: _____ Email Address: _____

COMPLETED NOTARIZED ACKNOWLEDGMENT OF PERMITEE [PRINCIPAL]

[Attach loose notarial certificate]

COMPLETED NOTARIZED ACKNOWLEDGMENT OF BANK

[Attach loose notarial certificate]

Geologic Energy Management Division

Public Resources Code § 3205.5

Deposit in Lieu of Bond – Certificate of Deposit

Operator Code: _____

Account No.: _____

Issued Date: _____

This certificate of deposit (CD) is issued on behalf of _____ [Operator]
and may only be released or encashed through the following procedures:

_____ [Financial Institution], a federally insured depository
institution authorized to do business in the State of California and insured by the Federal
Deposit Insurance Corporation, using federally insured accounts, issues this CD in the amount
of \$ _____, which shall automatically renew each year, unless released or encashed
account to the terms and conditions set forth below.

This CD is for the benefit of payees the Geologic Energy Management Division and the
Department of Conservation. _____ [Operator] hereby consents to the
provision by _____ [Financial Institution] to the Geologic Energy
Management Division and the Department of Conservation of such information concerning
the CD as the Geologic Energy Management Division and the Department of Conservation
may request in writing information regarding the status of the CD, including but not limited to
the amount, the account number, the maturity rate, and the rate of interest.

_____ [Financial Institution] shall be authorized to
encash the CD at any time at the request of either the Geologic Energy Management
Division and the Department of Conservation, and to deliver such funds to the Geologic
Energy Management Division and the Department of Conservation but only upon written
consent for the encashment and certification from the Geologic Energy Management
Division and the Department of Conservation that _____ [Operator]
has well and truly complied with all the provisions of Division 3 (commencing with Section
3000) of the Public Resources Code, obeyed all lawful orders of the State Oil and Gas
Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in
that division, and paid all charges, costs, and expenses incurred by the supervisor or the
district deputy or deputies in respect of the well or wells or the property or properties of the
principal, or assessed against the well or wells or the property or properties of the principal.

_____ [Financial institution] shall be authorized to encash the
CD at the instance and request of _____ [Operator], and to deliver
such funds to [Operator] only upon receipt of a written release from the Geologic Energy
Management Division and the Department of Conservation relinquishing their claim and
interest to this CD.

Interest earned under this CD is not subject to the terms and conditions above. Any interest
paid to the _____ [Operator] in accordance with the financial
institution's practices may not reduce the initial principal amount of this CD. Where an _____
_____ [Operator] elects to have earned interest subject to the terms and
conditions above, they shall do so by indicating here _____ [Operator Initials] at the
time this CD is issued.

The individuals signing below certify they agree to the terms mentioned above and that the
signatories are authorized to sign this agreement on behalf of their respective entity.

Name of Operator: _____



Operator Code: _____

Title: _____

Typed or Printed Name: _____

Signature: _____

Date: _____

Mailing Address: _____

Phone: _____

Email: _____

Department of Conservation: _____

Title: _____

Signature: _____

Mailing Address: _____

Phone: _____

Email: _____

Name of Financial Institution: _____ [SEAL]

Signature: _____

Typed or Printed Name: _____

Title: _____

Mailing Address: _____

Phone: _____

Email: _____

Department of Conservation
Geologic Energy Management Division
Public Resources Code § 3205.5

Deposit in Lieu of Bond – Savings Account, Investment Certificate, or Share Account

Operator Code: _____

Account No.: _____

Type: Savings Account Investment Certificate Share Account

Issued Date: _____

All right, title, and interest in the amount of _____ [dollars] \$ _____
in the above described savings account, investment certificate, or share account is hereby
assigned from _____ [Operator] to the Department of Conservation,
Geologic Energy Management Division and may only be released or encashed through the
following procedures:

_____ [Financial Institution], a federally insured depository
institution authorized to do business in the State of California using federally insured
accounts, issues this savings account, investment certificate, or share account in the amount
of \$ _____, which shall automatically renew each year, unless released or encashed
account to the terms and conditions set forth below.

This savings account, investment certificate, or share account is for the benefit of payees the
Geologic Energy Management Division and the Department of Conservation. _____
_____ [Operator] hereby consents to the provision by _____
_____ [Financial Institution] to the Geologic Energy Management Division and the
Department of Conservation of such information concerning the savings account,
investment certificate, or share account as the Geologic Energy Management Division and
the Department of Conservation may request in writing information regarding the status of
the savings account, investment certificate, or share account .

_____ [Financial Institution] shall be authorized to encash the savings
account, investment certificate, or share account at any time at the request of either the
Geologic Energy Management Division and the Department of Conservation, and to deliver
such funds to the Geologic Energy Management Division and the Department of
Conservation but only upon written consent for the encashment and certification from the
Geologic Energy Management Division and the Department of Conservation that _____
_____ [Operator] has well and truly complied with all the provisions of Division 3
(commencing with Section 3000) of the Public Resources Code, obeyed all lawful orders of
the State Oil and Gas Supervisor or the district deputy or deputies, subject to subsequent
appeal as provided in that division, and paid all charges, costs, and expenses incurred by
the supervisor or the district deputy or deputies in respect of the well or wells or the property
or properties of the principal, or assessed against the well or wells or the property or
properties of the principal.

_____ [Financial institution] shall be authorized to encash the
savings account, investment certificate, or share account at the instance and request of _____
_____ [Operator], and to deliver such funds to _____
_____ [Operator] only upon receipt of a written release from the Geologic Energy
Management Division and the Department of Conservation relinquishing their claim and
interest to this savings account, investment certificate, or share account.



Interest earned under this savings account, investment certificate, or share account is not subject to the terms and conditions above. Any interest paid to the _____
 _____ [Operator] in accordance with the financial institution's practices may not reduce the initial principal amount of this savings account, investment certificate, or share account. Where an Operator elects to have earned interest subject to the terms and conditions above, they shall do so by indicating here _____ [Operator Initials] at the time this savings account, investment certificate, or share account is issued.

The individuals signing below certify they agree to the terms mentioned above and that the signatories are authorized to sign this agreement on behalf of their respective entity.

Name of Operator: _____

Operator Code: _____

Title: _____

Typed or Printed Name: _____

Signature: _____

Date: _____

Mailing Address: _____

Phone: _____

Email: _____

Department of Conservation, Geologic Energy Management Division: _____

Title: _____

Signature: _____

Mailing Address: _____

Phone: _____

Email: _____

Name of Financial Institution: _____ [SEAL]

Signature: _____

Typed or Printed Name: _____

Title: _____

Mailing Address: _____

Phone: _____

Email: _____



Department of Conservation Geologic Energy Management Division Public Resources Code § 3205.5 Deposit in Lieu of Bond – Share Certificate

Operator Code: Account No.: Issued Date.

This share certificate is issued on behalf of Operator, and may only be released or encashed through the following procedures:

[Financial Institution], an insured credit union, as defined in Section 14002 of the Financial Note, whose share accounts are insured by the National Credit Union Administration, or guaranteed by any other agency that the Commissioner of Business Oversight has not deemed to be unsatisfactory, authorized to do business in the State of California, using insured accounts, issues this share certificate in the amount of \$, which shall automatically renew each year, unless released or encashed account to the terms and conditions set forth below.

This share certificate is for the benefit of payees the Geologic Energy Management Division and the Department of Conservation. [Operator] hereby consents to the provision by [Financial Institution] to the Geologic Energy Management Division and the Department of Conservation of such information concerning the share certificate as the Geologic Energy Management Division and the Department of Conservation may request in writing information regarding the status of the share certificate, including but not limited to the amount, the account number, the maturity rate, and the rate of interest.

[Financial Institution] shall be authorized to encash the share certificate at any time at the request of either the Geologic Energy Management Division and the Department of Conservation, and to deliver such funds to the Geologic Energy Management Division and the Department of Conservation but only upon written consent for the encashment and certification from the Geologic Energy Management Division and the Department of Conservation that [Operator] has well and truly complied with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code, obeyed all lawful orders of the State Oil and Gas Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in that division, and paid all charges, costs, and expenses incurred by the supervisor or the district deputy or deputies in respect of the well or wells or the property or properties of the principal, or assessed against the well or wells or the property or properties of the principal.

[Financial institution] shall be authorized to encash the share certificate at the instance and request of [Operator], and to deliver such funds to [Operator] only upon receipt of a written release from the Geologic Energy Management Division and the Department of Conservation relinquishing their claim and interest to this share certificate.

Interest earned under this share certificate is not subject to the terms and conditions above. Any interest paid to the [Operator] in accordance with the financial



institution's practices may not reduce the initial principal amount of this share certificate. Where an Operator elects to have earned interest subject to the terms and conditions above, they shall do so by indicating here _____ [Operator Initials] at the time this share certificate is issued.

The individuals signing below certify they agree to the terms mentioned above and that the signatories are authorized to sign this agreement on behalf of their respective entity.

Name of Operator: _____

Operator Code: _____

Title: _____

Typed or Printed Name: _____

Signature: _____

Date: _____

Mailing Address: _____

Phone: _____

Email: _____

Department of Conservation: _____

Title: _____

Signature: _____

Mailing Address: _____

Phone: _____

Email: _____

Name of Financial Institution: _____ [SEAL]

Signature: _____

Typed or Printed Name: _____

Title: _____

Mailing Address: _____

Phone: _____

Email: _____