

CALIFORNIA ENVIRONMENTAL QUALITY ACT INDEMNITY AGREEMENT

THIS AGREEMENT is made and entered into by and between the California Department of Conservation, Geologic Energy Management Division (CalGEM) and _____ (Applicant) and takes effect on the last date upon which this Agreement is signed and dated.

RECITALS

WHEREAS, the Applicant requests that CalGEM process the Notice(s) of Intention for oil, gas, or geothermal well(s) or the Application for a permit or an approval letter for exploration, development, stimulation, production, underground injection or underground gas storage filed with CalGEM on the ____ day of _____, 20__ (Project). Attachment 1 to this Indemnity Agreement identifies all wells that are part of the Project.

WHEREAS, CalGEM must comply with the California Environmental Quality Act (CEQA), as a lead or responsible agency, in processing and approving the Project application, which may include preparing a negative declaration, mitigated negative declaration, environmental impact report, or supplemental environmental analysis or relying on a categorical exemption.

WHEREAS, it is in the public interest for CalGEM and Applicant to enter into this Agreement, as Applicant would primarily benefit from CalGEM approving the Project.

AGREEMENT

NOW, THEREFORE, CalGEM and Applicant mutually agree as follows:

1. Indemnification. Applicant shall indemnify CalGEM for any costs incurred by CalGEM and its elected and appointed officials, employees, attorneys, officers, and agents in defending any lawsuit brought against CalGEM under CEQA arising out of CalGEM's Project-related approvals (Action).

Applicant shall reimburse CalGEM for any costs, including, but not limited to, attorneys' fees, consultants' costs, and litigation expenses incurred by CalGEM in defending any Action under CEQA arising out of or relating to CalGEM's Project-related approvals.

Applicant shall indemnify CalGEM from any judgment or award entered or made in a CEQA Action against CalGEM for reasonable attorneys' fees, costs, damages, or injunctive relief arising out of or relating to CalGEM's Project-related approvals.

Indemnification and reimbursement of costs shall further extend to any reasonable expenses that CalGEM incurs in successfully establishing a right to indemnification under this Agreement.

Applicant's indemnification of CalGEM as set forth in this Agreement shall remain in full force and effect throughout all stages of litigation, including, but not limited to, any appeal of a lower court judgment rendered in a CEQA Action.

This agreement to indemnify CalGEM shall not apply to an Action or administrative challenge brought by Applicant against CalGEM arising out of or relating to the Project.

2. Notice. CALGEM shall promptly notify Applicant of any Action brought against CALGEM relating to the Project.

3. Independent Defense. CALGEM will independently provide for its own defense in any Action under CEQA, and Applicant shall reimburse CALGEM for its reasonable expenses. CALGEM shall make independent decisions concerning its defense in the Action, but, at Applicant's request, may inform Applicant of the reason(s) for any decision. CALGEM will consider any concerns by Applicant regarding the actions taken by CALGEM. This provision does not affect or limit Applicant's right to participate in any Action arising out of or relating to the Project.

4. Cooperation. CALGEM and Applicant shall reasonably cooperate with each other in implementing this Agreement.

5. Settlement. If CALGEM enters into a settlement agreement concerning an Action under CEQA arising out of or relating to the Project, Applicant shall be responsible for reimbursing CALGEM's expenses, to the extent that such expenses are of the type that would be otherwise recoverable in a judgment or court order arising from a CEQA action.

6. Construction. This Agreement shall be construed as providing as broad an indemnification as authorized by California law.

Nothing in this Agreement shall be construed as CALGEM committing to make any Project-related approvals.

7. Modification or Termination. No supplement, modification, amendment, or termination of this Agreement shall be binding unless executed in writing and signed by CALGEM and Applicant.

8. Applicable Law. The laws of the State of California shall solely govern this Agreement.

9. Enforceability and Severability. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable.

10. Waivers. Any waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

11. Successors and Assigns. This Agreement shall be binding upon CALGEM and Applicant and their respective successors and assigns.

12. Counterparts. CALGEM and Applicant may execute this Agreement in counterparts.

13. Entire Agreement. This Agreement represents a full and complete understanding between CALGEM and Applicant regarding the matters addressed in this Agreement.

SIGNED AND DATED

IN WITNESS WHEREOF, CALGEM and Applicant freely and voluntarily consent that this Agreement binds them and that they will fully and timely comply with this Agreement.

Applicant Signature: _____ **Date:** _____

Name:

Title:

CalGEM Signature: _____ **Date:** _____

Name: Meri A. Meraz

Title: Acting CEQA Unit Supervisor

ATTACHMENT 1

Project Well List ▼ and/or Project Application Name/# _____

#	API No.	Well Name	Date Filed with CalGEM
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