



SURETY BOND

STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS
402 W. Washington St., Rm. 293
Indianapolis, IN 46204

COVERING THE DRILLING, DEEPENING, PLUGGING OR AN INDIVIDUAL OIL, GAS, GAS STORAGE, INJECTION, OBSERVATION OR DISPOSAL WELL

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS:

That we, _____ of the City of _____, County of _____, State of _____, as Principal, and _____, as Surety, are held and firmly bound unto the State of Indiana in the sum of TWO THOUSAND DOLLARS (\$2,000.00), to the payment whereof the Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

WHEREAS, the above named Principal has applied to the Members of Indiana Department of Natural Resources for a permit:

- 1. To drill or deepen a well for or in connection with the production of oil, gas, or gas storage, located at: _____
- 2. To drill a well for secondary recovery, an input well, a well for the disposal of salt water, brine, or oil field wastes, located at: _____

WHEREAS, the above named Principal has acquired a well drilled for or in connection with the production of oil, gas, gas storage, located at: _____

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH, that if the Principal herein shall fully comply with the provisions of IC 12.4.7, Indiana General Assembly, all amendments thereto, and all valid rules and regulations issued thereunder by the Commission, including all rules and regulations regarding plugging of all wells for or in connection with the production of oil and gas wells for secondary recovery, input wells, wells for the disposal of salt water, brine, and oil field wastes, and wells completed as dry or non-productive holes, wells drilled for gas storage, the filling in of all excavations, the removal of all concrete bases, discarded machinery and material, and for the restoration of the surface as nearly as possible to its condition prior to the drilling operations, then this obligation shall be null and void, otherwise to remain in full force and effect.

The duration of this bond shall be from the time the application is filed with the Commission until the Commission, upon being satisfied that the owner or operator has plugged and abandoned the well in accordance with the law and the rules and regulations of the Commission, releases the bond, unless the bond shall be cancelled as hereinafter provided:

The Surety may notify the Commission and Principal of its desire to terminate its liability hereunder thirty days after the receipt of such notice by the Commission and the Commission shall thereupon require the Principal to file a new bond or discontinue all operations and may require the plugging and abandoning of the well in accordance with the rules and regulations of the Commission. If a new bond is filed by Principal with a duly authorized surety, all liability hereunder shall thereupon cease and terminate. If new bond shall not be filed within the thirty day period above specified, the Commission shall, after expiration of the period, and after notice and hearing in accordance with the provisions of IC 4.22.1, revoke the Principal's permit and may require the Principal to plug and abandon the well in accordance with the rules and regulations of the Commission. In the event of failure of the Principal to plug and abandon the well, the Surety, as its option, may cause the well to be properly plugged and abandoned or pay to the Commission the cost thereof.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed our seals this _____ day of _____, _____.

Principal

Surety

By: _____

By: _____
Attorney-in-Fact

When Principal or Surety executes this bond by agent, power of attorney or evidence of authority must accompany the bond.

RETURN CANCELLED BOND TO:

Name/Address of Agent or Bonding Company