

INDIVIDUAL OIL AND GAS WELL INDEMNITY BOND

Public Resources Code Sections 3202(e), 3204, and 3207

(INSTRUCTIONS ON REVERSE SIDE)

The premium on the bond
is _____ per annum.

Know All Persons by These Presents:

That _____
(or) _____
(Partners or Corporation)

That I, _____
(Individual)

as principal, having an address for service of _____
_____, and _____, a corporation organized
(Surety)

under the laws of the STATE OF _____ and authorized to
transact surety business in the STATE OF CALIFORNIA, as surety, having an address for service of _____,
are held and
firmly bound to the STATE OF CALIFORNIA in the sum of _____ AND NO/100
DOLLARS (_____) lawful money of the United States of America, to be paid to the State of California, for which
payment we bind ourselves, our heirs, executors, and successors, jointly and severally, firmly by these presents.

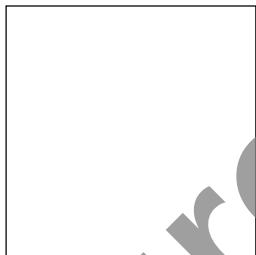
WHEREAS, said principal is about to acquire, drill, redrill, deepen, or permanently alter an oil or gas well in CALIFORNIA
designated as _____,
and is located in Sec. _____, T. _____, R. _____, _____ B. & M., and is
(M.D., S.B., or H.)

required to file this bond in accordance with Sections 3202(e), 3204, and/or 3207 of the California Public Resources Code;

NOW, THEREFORE, the conditions of the foregoing obligation are that if the principal shall 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 district deputy, subject to subsequent appeal as provided in Division 3, and shall pay all charges, costs, and expenses
incurred by the Supervisor or district deputy with respect to the well and attendant facilities of the principal, in pursuance of the
provisions of Division 3, then this obligation shall be void; otherwise, it shall remain in full force and effect.

FURTHERMORE, the aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of this
bond in any event. This bond may be terminated and cancelled only in accordance with the provisions of Section 3207 of the Public
Resources Code. This bond is executed by the Surety to comply with the provisions of Division 3, Chapter 1 of the Public Resources
Code and of Chapter 2, Title 14, Part 2 of the Code of Civil Procedure and the bond shall be subject to the terms and provisions
thereof.

This bond is to become effective on _____
(Date)



(SEAL OF PRINCIPAL)

[Principal]
Address _____

Executed for principal by: _____
(Signature)

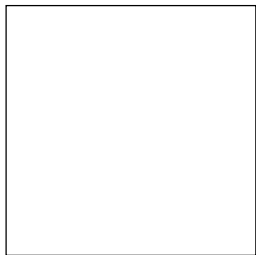
(Printed or typed name)

(Title)

(Date)

I certify (or 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.

Executed at _____ on _____
(City and State) (Date)



(SEAL OF SURETY)

[Surety]
Address _____

By: _____
(Signature of Attorney-in-Fact)

(Printed or typed name of Attorney-in-Fact)

INSTRUCTIONS*

1. The surety on the bond may be any surety company authorized to do business in California.
2. If the principal is a partnership, the names of the general partners must appear on the body of the bond, with the recital that they are the general partners in a firm, and naming the firm.
3. The name of the principal and the well designation on the bond must agree **exactly** with that shown on any notice of intention to drill, redrill, deepen, or permanently alter the casing.
4. The seal of the surety company must be affixed.
5. If the principal is a corporation, the corporate seal must be affixed.
6. A bond containing a cancellation clause at the option of the principal or surety is not acceptable.
7. Applicable amounts:
 - a. Less than 5,000 feet total depth \$15,000
 - b. At least 5,000 feet but less than 10,000 feet total depth \$20,000
 - c. At least 10,000 feet or greater total depth \$30,000
8. Individual bond coverage is not acceptable for an offshore well.
9. A bond may be signed by: (1) the owner; (2) a general partner; (3) an officer of the corporation (President, Vice President, Treasurer, Corporate Secretary, or Attorney-in-Fact); (4) the agent (as appointed by the operator on the proper Designation of Agent form and filed with the Division of Oil, Gas, and Geothermal Resources); (5) a person presenting a power of attorney from the operator; or (6) a person presenting a written authorization from the operator permitting him or her to sign the bond. If the operator is a corporation, the corporate seal must be affixed to the written authorization and an officer representing the corporation must sign and give his or her title.
10. A bond rider may be used to:
 - a. Change the name of the principal on a bond or previous rider.
 - b. Change the designation of a well on an individual bond.
 - c. Increase the monetary liability of a bond or previous rider.

**In lieu of an individual indemnity bond, a person may, with the written approval of the Supervisor, file a cash bond in the appropriate amount, as prescribed in Section 3205.5, Division 3, of the Public Resources Code.*

