



SURETY BOND FOR OIL AND GAS WELLS

TO BE FILLED IN BY OPERATOR:

TO BE FILLED IN BY SURETY COMPANY:

Purpose:

Bond No. _____

- (a) Original Bond
- (b) Replacement Bond
- (c) Additional Bond

WHEREAS, _____ ("Operator"),
(Name of Well Operator)

(1) a corporation, incorporated under the laws of the State of _____, or
(Name of State)

(2) a(n) _____,
(Limited/General Partnership, Individual, Limited Liability Company)

with a place of business at _____,
(Operator address and telephone number)

has filed with the Pennsylvania Department of Environmental Protection ("Department") applications for permits to drill and operate new oil and gas wells or to operate existing permitted or registered wells under the Act of December 19, 1984, No. 223, P.L. 1140, as amended, 58 P.S. § 601.101 et seq. (repealed) ("1984 Oil and Gas Act") and the Act of February 14, 2012, No. 13, P.L. 87, 58 Pa. C.S. §§ 2301 - 3503 ("2012 Oil and Gas Act"); and

WHEREAS, the Operator has chosen to file this surety bond agreement;

NOW THEREFORE, the Operator, as principal and

(Name of surety company) ("Surety"),

with a place of business at _____,
(Surety address and telephone number)

licensed to do business in the Commonwealth of Pennsylvania, as surety, in consideration of the issuance of the permits/registrations for the Covered Wells, as that term is defined in paragraph 2 of this bond agreement, are held and firmly bound unto the Commonwealth in the just and full sum of _____ Dollars (_____), to the payment whereof, well and truly to be made, we bind ourselves, our heirs, executors, administrators, assigns and successors, jointly and severally, firmly by these presents:

1. **Condition of the Obligation.** If the Operator shall faithfully perform and conform to all of the applicable drilling, restoration, water supply replacement and plugging requirements of the following:

- (a) the 1984 Oil and Gas Act and the 2012 Oil and Gas Act;
- (b) all subsequent amendments and additions made to the 2012 Oil and Gas Act;
- (c) all regulations now or hereafter promulgated under the 1984 Oil and Gas Act or the 2012 Oil and Gas Act;
- (d) the terms and conditions of the Operator's permit(s) for the Covered Wells, and all amendments or additions to the permit(s); and
- (e) all Department orders issued relating to the Operator and its Covered Wells;

the requirements described in (a) through (e), inclusive, immediately above, collectively called the "Law;" then this obligation shall be null and void, otherwise to be and remain in full force and effect.

2. **Wells Covered by this Bond ("Covered Wells").** This bond agreement assumes and covers any and all liability and obligations accrued and to be accrued on all wells listed on Exhibit A, under the Law, until such time as the Department shall release, in writing, such liability and obligations. The Operator and the Surety expressly agree that this bond agreement shall cover all additional wells in Pennsylvania for which the Operator obtains a Department well permit. The Operator and the Surety agree to such addition of wells to be covered by this bond agreement, and waive any rights of prior notice or refusal of such addition of wells.

3. **Amount and Duration of Bond Liability.** Liability upon this bond agreement shall be for the amount specified herein. Liability upon this bond agreement shall continue until the Covered Wells are properly plugged in accordance with the Law, and for a period of one (1) year after a Certificate of Plugging is filed with the Department and approved for every well, unless released by the Department, in writing, prior thereto, as provided by the Law. It is hereby acknowledged and agreed by and among the parties that the liability upon this bond is a penal sum, and as such the Department retains a property interest in such surety guarantee, and any related agreements, until release of such liability by the Department in writing as provided by the Law.

4. **Default.** Upon the happening of any default of the provisions, conditions and obligations assumed under this bond agreement and the declaration of a forfeiture by the Department, the Operator and the Surety hereby authorize and empower the Attorney General of the Commonwealth of Pennsylvania, or any other attorney of any court of record in Pennsylvania or elsewhere by him or her deputized for this purpose, to appear for and confess judgment against the Operator and/or the Surety, their heirs, executors, administrators, successors or assigns, in favor of the Commonwealth for any sum or sums of money, which may be due hereunder, with or without defalcation or declaration filed, with interest and cost, with release of errors, without stay of execution, and with ten percent (10%) added for collection fees, and for the exercise of this power, this instrument, or a copy thereof, any rule of court to the contrary notwithstanding, shall be full warrant and authority. This power shall be inexhaustible. The Operator and the Surety further agree that execution may issue upon judgment so confessed for the full amount of money and accrued interest that is owing from the Operator and/or the Surety to the Commonwealth, with costs and collection fees, upon filing information in writing in the court where such judgment shall be entered.

5. **Events Not Affecting Bond Liability.** The Operator and/or the Surety agree that their liability under this bond agreement shall not be impaired or affected by (1) any renewal or extension of the time for performance of any of the provisions, conditions or obligations upon which this bond agreement is based; or (2) any forbearance or delay in declaring this bond to be forfeit or in enforcing payment on this bond.

6. **No Surety Right to Perform.** The Surety hereby agrees and acknowledges that it has no right to cover or perform the obligations of the Operator upon the Operator's default; provided, however, that the Department may authorize, in writing, the Surety to perform such defaulted obligations in lieu of collection of the bond amount if the Department determines that it is in its interest to do so.

7. **Remedies.** Nothing herein shall limit or preclude the Department from seeking any remedy, in addition to the forfeiture of this bond agreement, which may be authorized or provided by law.

8. **Replacement Bond.** If this Surety Bond is a replacement bond, this bond agreement assumes and covers any and all liability and obligations accrued and to be accrued under the Law. This bond agreement replaces the following existing bonds:

Date of Bond	Type of Bond (Surety or Collateral)	Name of Surety, Financial Institution, or Govt. Issuer	Type of Collateral	Surety Bond No./ Collateral ID No.	Dollar Amount
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

9. **Additional Bond.** The Department reserves the right to require additional bonding from the Operator, as provided by the Law, which additional bonding shall be a supplement to and augment the bond liability provided herein.

10. **Attachments (Surety Power of Attorney and Exhibit A must be attached).**

Surety Power of Attorney

Exhibit A

Other _____

11. **Headings.** The paragraph headings herein are for descriptive purposes only and are intended to have no legal force or effect.

IN WITNESS WHEREOF, the Operator and the Surety hereunto set their hands and seals, intending to be legally bound hereby, this _____ day of _____, _____ .

SURETY:

OPERATOR:

(Print or Type Name of Surety)

(Print or Type Operator Name)

By: _____
(Signature)

By: _____
(Signature)

(Print or Type Name and Title)

(Print or Type Name and Title)

By: _____
(Signature)

By: _____
(Signature)

(Print or Type Name and Title)

(Print or Type Name and Title)

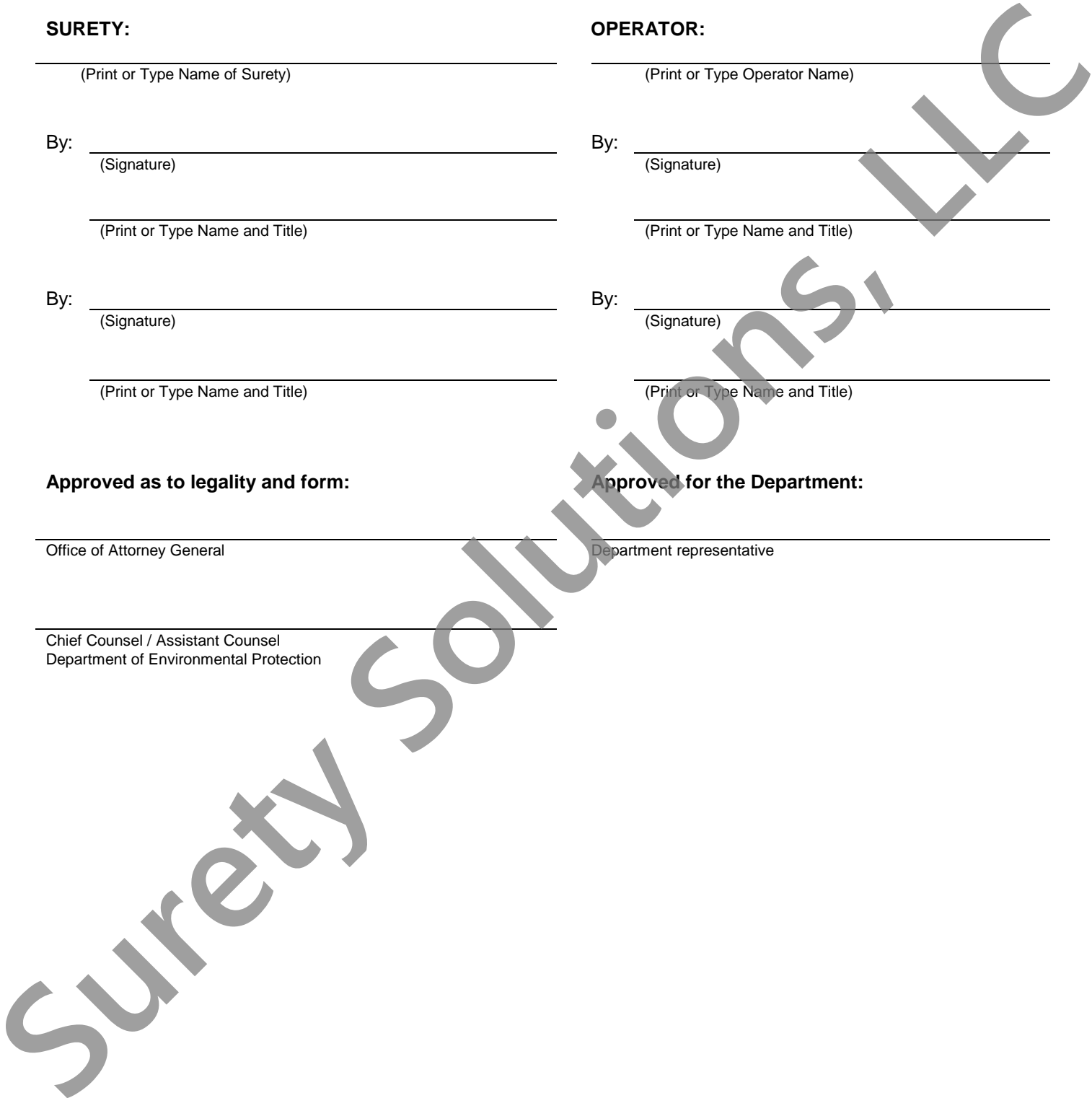
Approved as to legality and form:

Approved for the Department:

Office of Attorney General

Department representative

Chief Counsel / Assistant Counsel
Department of Environmental Protection



ACKNOWLEDGEMENT OF INDIVIDUAL (OPERATOR)

STATE OF _____ :

COUNTY OF _____ :

On _____, before me, the undersigned individual, personally appeared
(Date)

(Name)

known, or satisfactorily proven, to me to be the person whose name is subscribed to the foregoing Surety Bond, and acknowledged that (he or she) executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(SEAL) _____
(Notary Public Signature)

My Commission Expires: _____
(Date)

**ACKNOWLEDGEMENT OF CORPORATION/PARTNERSHIP/
LIMITED LIABILITY COMPANY (OPERATOR)**

STATE OF _____ :

COUNTY OF _____ :

On _____, before me, the undersigned officer, personally appeared
(Date)

_____ and _____
(Name) (Name)

who acknowledged themselves to be the _____ and
(Title of Person)

_____, respectively, of _____,
(Title of Person) (Name of Corporation, Partnership or Limited Liability Company)

and that they as such (officers/general partners/managers/members)

being authorized to do so, executed the foregoing Surety Bond for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(SEAL) _____
(Notary Public Signature)

My Commission Expires: _____
(Date)

