



Bond For An Underground Storage Facility For A Solution-mined Cavity and Storage Well

Form OGB-3D, Rev. 07/13

Permit Number _____ 01 - - - API Number _____ (To be filled in by Board)

Surety Bond Number _____

Know All Men By These Presents, That I/we _____, as principal(s), and _____, as surety, are held hereby and firmly bound unto the State of Alabama in the penal sum of _____ Dollars (_____) lawful money of the United States, for the faithful payment of which we hereby bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally. The surety shall pay to the State Oil and Gas Board the full amount of this bond upon demand by the State Oil and Gas Board.

The conditions of this obligation are that whereas the above bounden principal(s) propose(s) to commence operation of an underground storage facility for a solution-mined cavity and storage well in order to store gas to be known as the _____ Underground Storage Facility.

Now, therefore, if said underground storage facility for a solution-mined cavity and storage well is operated in compliance with state law, the rules, regulations and orders of the State Oil and Gas Board; if the above bounden principal(s) shall prevent the escape of gas out of one stratum to another at such facility, prevent the intrusion of water into any oil or gas stratum from a separate stratum at such facility, prevent the pollution of all surface and ground water; and if the above bounden principals shall make all reports required by the Supervisor or Board, including drilling records and all logs of such well and solution-mined cavity, if taken; conditioned also that such principal(s) shall operate such facility, plug and abandon such well and abandon such cavity and underground storage facility in compliance with all lawful rules, regulations, and orders of the Board now existing or hereafter promulgated and with the laws of the State of Alabama now existing or hereafter enacted; then this obligation is void; otherwise the same shall be and remain in full force and effect.

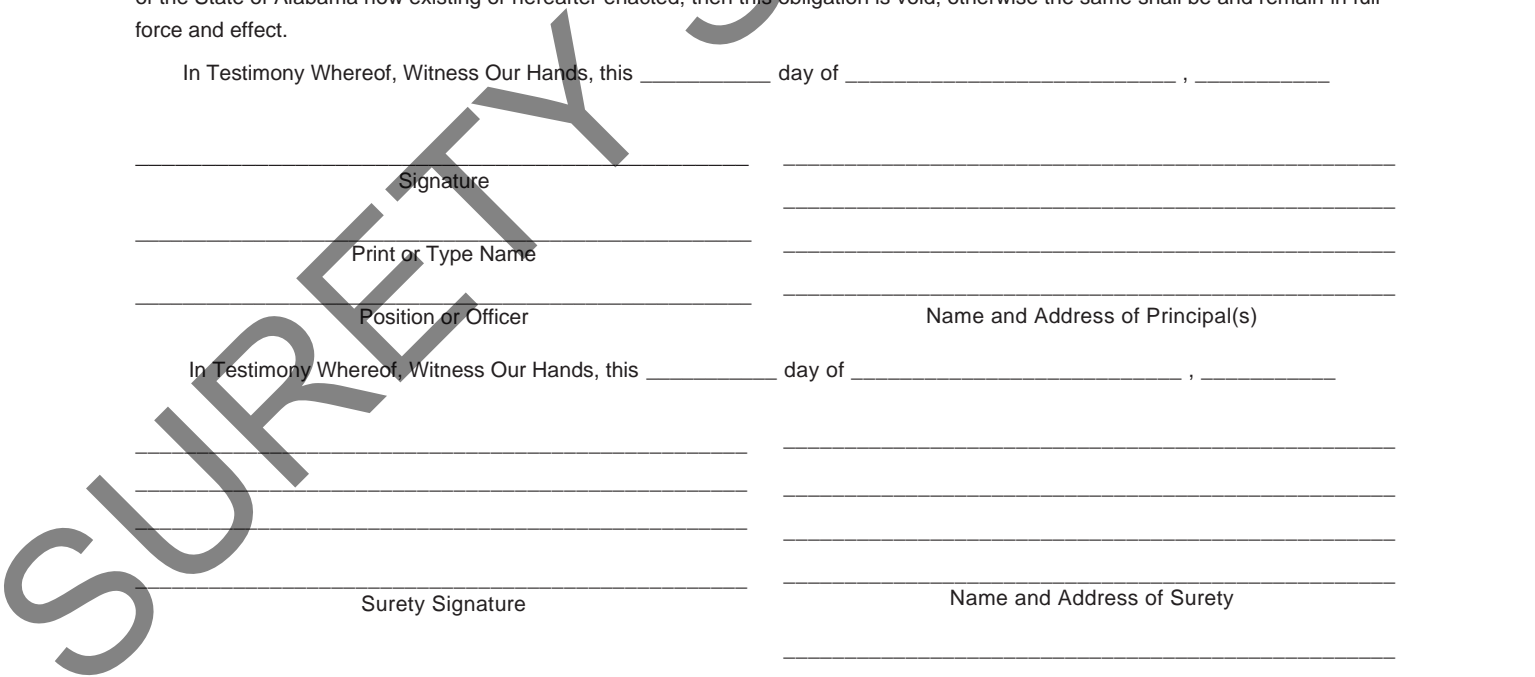
In Testimony Whereof, Witness Our Hands, this _____ day of _____, _____

Signature _____ Print or Type Name _____ Position or Officer _____ Name and Address of Principal(s) _____

In Testimony Whereof, Witness Our Hands, this _____ day of _____, _____

Surety Signature _____ Name and Address of Surety _____

Signature of Duly Authorized Agent of Said Surety _____ Name and Address of Agent _____



OGB-3D

INSTRUCTIONS

Read Carefully and Comply Fully

1. The surety on this bond must be a corporate surety company licensed to conduct such business in the State of Alabama, with the seal of the surety affixed.
2. If the principal is a corporation, this bond must be executed by one of its duly authorized officer(s) as listed on its current Form OGB-5, with the seal of the corporation affixed.
3. If the principal or surety executes this bond by agent, a power of attorney must accompany the bond.
4. If the principals are partners, their individual names shall appear in the body of this bond with the recital that they are partners composing a partnership and naming such partnership.
5. A bond containing a cancellation clause at the option of the surety or principal is not acceptable.
6. This bond shall not be affected by the nonpayment of premiums by the principal to the surety and shall not be canceled or released except by the State Oil and Gas Board of Alabama.
7. This bond must set forth the correct legal name and address of each and every principal, corporate or individual, including each partner of any partnership, and the correct legal name of such partnership, the correct legal name and address of the surety thereto and must be countersigned by an Alabama agent of such surety, setting forth the correct legal name of such agent and such agent's company affiliation and correct business address.
8. Each corporate principal and each corporate surety must be lawfully authorized to do business in the State of Alabama and duly, properly, and lawfully registered with the Secretary of State of the State of Alabama or otherwise duly, properly, and lawfully registered to conduct such business in the State of Alabama.
9. Each bond must be acceptable by the State Oil and Gas Board of Alabama or by the State Oil and Gas Supervisor before any principal or person shall begin or continue the drilling, operation, or production of any well.
10. The appropriate surety bond number assigned by the surety shall be placed in the space provided at the top center of this bond.
11. None of the above enumerated instructions shall be cause for the avoidance of the obligations and conditions set forth in this bond by any principal or surety.

Make sure that you complete the form correctly and provide all the information requested. **State Oil and Gas Board personnel will not make additions to or change any part of a notarized form.**

State Oil and Gas Board of Alabama

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