

(Multiple Wells)

IRREVOCABLE LETTER OF CREDIT NO. _____

TO: LOUISIANA OFFICE OF CONSERVATION
617 North Third Street, 9th Floor
Baton Rouge, LA 70802
ATTN: Engineering, Financial Security

RE: FINANCIAL SECURITY
Various wells and facilities further described on Exhibit "A" attached hereto

Dear Sirs:

We hereby establish our irrevocable Letter of Credit No. _____ in your favor, at the request and for the account of _____ (operator name), as established by Office of Conservation up to the aggregate amount of _____ (dollar amount) available upon presentation by the Louisiana Commissioner of Conservation, of:

1. Your sight draft, bearing reference to this letter of credit No. _____, and
2. Your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued in accordance with LSA-R.S. 30:1 et seq."

This letter of credit is effective as of _____ (date) and shall expire on _____ (date), but such expiration date shall be automatically extended for a period of at least one(1) year on _____ (date), and on each successive expiration date, unless at least 120 days before the current expiration date, we notify you and _____ (operator name) by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event you are so notified, any unused portion of the credit shall be available upon presentation of your sight draft for 120 days after the date of receipt by both you and _____ (operator name), as shown on the signed return receipts.

The purpose of this letter of credit is to provide financial security for proper plugging and abandonment, of the well or wells, associated site restoration and response to emergencies. In the event this letter of credit is called upon for less than all the wells and facilities listed on Exhibit "A" referenced above, the amount of the letter of credit shall be reduced in proportion to the amounts listed for each well and/or facility called on as listed on Exhibit "A", but shall not otherwise effect the availability of the remainder of the funds except as otherwise provided herein.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits by the International Chamber of Commerce Brochure No. 600 (2007 revision).

When calculating time periods or deadlines, “day” shall mean (calendar day/business day), with any period ending on a weekend, recognized holiday, or State Office Closure automatically extended to the next business day. The term “day,” unless otherwise defined herein, shall mean a calendar day. However, where the term “business day” is used, it shall refer to any day other than a Saturday, Sunday, recognized holiday, or State Office Closure.

We hereby agree with you and negotiating banks or bankers that drafts drawn under and in compliance with the terms of this credit shall be duly honored on due presentation to the drawee.

Sincerely,

Name of Bank: _____

AUTHORIZED BANK REPRESENTATIVE

Printed Name: _____

Signature: _____

AUTHORIZED BANK REPRESENTATIVE

Printed Name: _____

Signature: _____

EXHIBIT A

Operator of Record: _____ **Surety:** _____

Performance Bond No.: _____

Wells Covered by Security

[illegible]

*Serial Number required if Permit to Drill has been issued; otherwise, leave blank

NOTICES

Overnight or Physical Address

Louisiana Office of Conservation,
State of Louisiana
617 North Third Street
LaSalle Building, 9th Floor
Baton Rouge, LA 70802
Attn: Financial Security Department

If to the Bank:

Bank Name: _____

Address: _____

Phone Number: _____

Email: _____

Responsible Officer: _____

Responsible Officer email: _____

Responsible Officer phone: _____