

WELL PLUGGING AND SURFACE RESTORATION BOND



Department of Environmental Conservation

BOND NUMBER

EFFECTIVE DATE OF BOND

INSTRUCTIONS

- 1. Form 85-02-2 shall be filed with the New York State Department of Environmental Conservation...
2. The form shall be typed and be executed by responsible individuals who have full and complete knowledgae of the facts stated and the authority to bind the O/O.

KNOW ALL PERSONS BY THESE PRESENTS:

That we _____ as Principal, of permanent address _____ (Principal's name MUST be exactly as registered with the Division)

_____, and _____ (Street Address, City, State, Zip Code)

_____ as surety, of _____ (Surety Name)

_____ (Mailing address and Telephone Number of Responsible District Office)

have issued a bond as specified in this form.

The Surety, a corporation organized and existing under the laws of the State of _____ and authorized to transact the business of suretyship in the State of New York, are held and firmly bound unto the State of New York in the penal sum of _____ dollars (\$ _____), lawful money of the United States of America, for which payment, well and truly made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of this obligation is that whereas the said Principal has extant or plans to drill wells for oil, gas, solution mining, brine, input, observation, geothermal, test, disposal or storage in and upon lands within New York State, and whereas it shall have been required by the Department that a bond to guarantee proper plugging of such wells and adequate restoration of the adjacent surface terrain on a bond form approved by said Department be in force.

NOW, THEREFORE, if said Principal shall comply with all applicable provisions of the laws of the State of New York and the rules, regulations, orders and amendments thereof of the Department with reference to the proper plugging of such wells and shall at all times remain in compliance with all applicable legal requirements, then this obligation shall be void; otherwise to remain in full force and effect in which case the Department may call upon the Surety to complete the reclamation.

This bond shall be further subject to the following conditions:

- 1. The bond shall be continuous and shall remain in force until the Surety is released from liability by the Department, or until the bond is canceled by the Surety as herein provided. Without prejudice to any liability accrued prior to such cancellation, the Surety may cancel this bond upon ninety (90) days advance notice in writing sent by mail to the Principal and to the Department, Division of Mineral Resources.
2. In no event shall the total liability of the Surety for any one or more recoveries under this bond exceed in the aggregate the penal sum hereof.
3. The Surety will give prompt notice to the Principal and to the Department of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Surety's license to do business. In the event the Surety becomes unable to fulfill its obligation under the bond for any reason, notice shall be given immediately to the Principal and to the Department.

IN WITNESS HEREOF, said Principal and said Surety have caused these presents to be duly signed and sealed.

On this _____ day of _____ 20_____

On this _____ day of _____ 20_____

(Principal)

(Surety)

(Signature) (Title)

(Attorney-in-Fact¹)

¹Where one signs by virtue of Power of Attorney or Corporate Resolution for a Surety, or corporate Principal, a certified copy of Power of Attorney or Corporate Resolution must be filed with this bond.

Note: If applicable, include the name, address, and phone number of Agent representing the Surety Company.

Acknowledgement Form

State of _____)

) ss.:

County of _____)

On the _____ day of _____ in the year _____, before me, the undersigned notary public, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____ Notary Public