

OGB - 4
INSTRUCTIONS

Read Carefully and Comply Fully

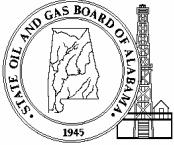
1. The surety on this bond must be a corporate surety company licensed to conduct such business in the State of Alabama, with the seal of the surety affixed.
2. If the principal is a corporation, this bond must be executed by its duly authorized officer(s), with the seal of the corporation affixed.
3. 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 authorized Alabama resident agent of such surety, setting forth the correct legal name and address of such agent and such agent's company affiliation, if any, 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 the State 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 upper right corner 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.

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

Form OGB - 4

2 / 03



420 Hackberry Lane
P.O. Box 869999
Tuscaloosa, Alabama 35486-6999
(205) 349-2852 Fax (205)349-2861
www.ogb.state.al.us

Surety Bond No.

Bond (Blanket)

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 _____ Thousand 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 conditions of this obligation are that whereas the above bounden principal(s) propose(s) to commence or continue the drilling, operation, or production of one or more wells in search of oil or gas, or the drilling or operation of one or more Class II injection wells, or the drilling or operation of one or more wells for the underground storage of gas in reservoirs, and this bond shall apply to all such wells drilled, operated, or produced in the State of Alabama by the aforesaid principal(s).

Now, therefore, if one or more of said wells is drilled, operated, or produced, 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 oil or gas out of one stratum to another, prevent the intrusion of water into any oil or gas stratum from a separate stratum, prevent the pollution of the sea, prevent pollution of all surface and ground water; and if the above bounden principal(s) shall file all reports required by the Board, including drilling records and all logs of one or more of such wells, if taken, and shall file drill cuttings and cores or core slabs, if cores are taken, within six (6) months from the time of completion of one or more of such wells, and in the event one or more of such wells does not produce oil or gas in commercially profitable quantities or ceases to produce oil or gas in commercially profitable quantities or if the operations of one or more of such wells shall cease for a period of six (6) months or if one or more such wells should become dangerous to the public; and conditioned also that such principals(s) shall plug and abandon one or more of such wells, dispose of all pit or tank fluids, close the pit or pits, restore or clear the location or locations, and maintain the site or sites; and conditioned further that such principals(s) shall drill, operate, produce, and plug and abandon, one or more of said wells, and that such principal(s) shall dispose of all pit or tank fluids, close the pit or pits, restore or clear the location or locations, and maintain the site or sites 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 _____, 20 _____

Signature

Print or Type Name

Position or Officer

Name and Address of Principal(s)

In Testimony Whereof, Witness Our Hands, this _____ day of _____, 20 _____

Surety Signature

Signature of Duly Authorized Agent of Said Surety

Name and Address of Surety

Name and Address of Agent