

**STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION**

**ASSIGNMENT OF CERTIFICATE OF DEPOSIT AND
CONFIRMATION AND AGREEMENT OF ISSUING BANK**

On _____, 20__,

(Principal/Obligor)

(Address)

assigns the following certificate of deposit:

1. _____ in the amount of \$_____;

issued by _____ (name of bank), to secure, in accordance with 20 AAC 25.025, any default that may occur under State of Alaska, Alaska Oil and Gas Conservation Commission (AOGCC) Personal Bond No. _____ (Bond).

WHEREAS, under 20 AAC 25.025, an operator submitting a personal bond on Form 10-402B, must provide security, issued in the sole favor of the AOGCC, by a bank authorized to do business in the State of Alaska guaranteeing the operator's performance;

NOW THEREFORE, to meet the requirements of 20 AAC 25.025, under this Assignment of Certificate of Deposit and Confirmation and Agreement of Issuing Bank Assignment,

A. the Principal/Obligor agrees to the following:

1. the assignment of its rights to the Certificate to the AOGCC;
2. the State of Alaska, by and through its duly authorized agents, is irrevocably constituted and appointed as its Attorney-in-Fact to do all things necessary to effectuate the purposes of this Assignment; and
3. this Assignment shall remain in full force and effect until released in writing by the AOGCC in accordance with 20 AAC 25.025(c).

B. The Issuing Bank confirms and agrees to the following:

1. it is a bank authorized to do business in the State of Alaska;
2. it is federally insured or a Federal Reserve Bank branch;

3. it has changed its records to show that, subject to its compliance with all applicable State of Alaska and federal laws, only the AOGCC may collect the principal amount of the Certificate;
4. it has placed a hard hold or freeze on the Certificate in accordance with this Assignment;
5. it shall, within three business days after the Certificate is issued, deliver the original Certificate—or, if it does not issue original Certificate, other account documents, such as receipts, adequately showing that the Certificate was issued—to the AOGCC (which shall hold them until this Assignment is released in writing by the AOGCC);
6. the Certificate complies with the following requirements:
 - (a) the principal of the Certificate is in the sole favor and for the exclusive use of the AOGCC—i.e., the Certificate will be held by the AOGCC or by the Issuing Bank in trust for the benefit of AOGCC;
 - (b) the Certificate is assigned to the AOGCC in writing and upon the books of the Issuing Bank to secure any default, as determined by the AOGCC in its sole discretion, that may occur under the Bond, which accompanies the Certificate;
 - (c) subject to the Principal/Obligor compliance with all applicable State of Alaska and federal laws, the AOGCC alone, in its sole discretion, may authorize the release, in any form, to any party of any or all of the principal amount of the Certificate;
 - (d) the Certificate is, at any time prior to maturity, redeemable, and the principal amount of the Certificate is payable, in whole or in part at the AOGCC's sole discretion, to the AOGCC immediately upon the AOGCC's written demand;
 - (e) the Certificate is in such amount that liquidation prior to maturity will result in the full amount of the Bond, or the Certificate is issued with the provision that all costs of liquidation (including, for example, penalties for early redemption) will be paid out of the interest earned by the Principal/Obligor, not out of principal amount of the Certificate;
 - (f) the Certificate is federally insured;
 - (g) the Certificate is automatically renewable;

- (h) the Certificate is subject to no expiration date that would restrict the right of the AOGCC to collect the principal amount of the Certificate at any time of default; and
 - (i) the Certificate is not, and will not be, subject to any rights of set-off or liens of the Issuing Bank; and
7. the State of Alaska, by and through its duly authorized agents, is irrevocably constituted and appointed as its Attorney-in-Fact to do all things necessary to effectuate the purposes of this Assignment;
 8. this Assignment shall remain in full force and effect until released in writing by the AOGCC in accordance with 20 AAC 25.025(c); and
 9. it shall immediately notify the AOGCC and Principal/Obligor if it becomes unable, for any reason, to fulfill its obligations under the Certificate or if it learns, or reasonably should have learned, that any confirmation or agreement above is or becomes inaccurate.

IN WITNESS WHEREOF, the Principal/Obligor has set its signature and seal (if it has one)

this ____ day of _____, 2____.

(Signature of Principal/Obligor)

By: _____

Title: _____

IN WITNESS WHEREOF, the Issuing Bank has set its signature and seal (if it has one)

this ____ day of _____, 2____.

(Signature of Issuing Bank)

By: _____

Title: _____

STATE OF _____)
)ss.
)

ACKNOWLEDGEMENT OF PRINCIPAL/OBLIGOR

On this ___ day of _____, 2_____, before me, a notary public in and for the State of _____, duly commissioned and sworn, appeared

_____, to me personally known, who,

being by me duly sworn, said the following: (1) he/she is

_____ of

_____, the Principal/Obligor that executed

the attached Assignment of Certificate of Deposit and Confirmation and Agreement of

Issuing Bank (Assignment); (2) the seal (if applicable) affixed to the Assignment is the

Principal/Obligor's corporation seal; (3) the Assignment was signed and sealed (if

applicable) on behalf of the Principal/Obligor by the authority of its Board of Directors;

and (4) executing the Assignment is the free act and deed of the Principal/Obligor for the

uses and purposes set forth in it.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day,

month, and year aforesaid.

Notary Public in and for the State of _____

My Commission Expires: _____

STATE OF _____)
)ss.
)

ACKNOWLEDGEMENT OF ISSUING BANK

On this ___ day of _____, 2____, before me, a notary public in and for the State of _____, duly commissioned and sworn, appeared

_____, to me personally known, who,

being by me duly sworn, said the following: (1) he/she is

_____ of

_____, the Issuing Bank that executed the

attached Assignment of Certificate of Deposit and Confirmation and Agreement of

Issuing Bank (Assignment); (2) the seal (if applicable) affixed to the Assignment is the

Issuing Bank's corporation seal; (3) the Assignment was signed and sealed (if applicable)

on behalf of the Issuing Bank by the authority of its Board of Directors; and (4) executing

the Assignment is the free act and deed of the Issuing Bank for the uses and purposes set

forth in it.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day,

month, and year aforesaid.

Notary Public in and for the State of _____

My Commission Expires: _____