



STATE OF TENNESSEE
 DEPARTMENT OF ENVIRONMENT AND CONSERVATION
 DIVISION OF WATER RESOURCES
 TENNESSEE OIL AND GAS PROGRAM
 NASHVILLE ENVIRONMENTAL FIELD OFFICE
 711 R S GASS BLVD.
 NASHVILLE, TENNESSEE 37216

WELL PERMIT NO. _____

Comprehensive Bond Identification

<p>Type of Bond:</p> <p><input type="checkbox"/> Cash Plugging Bond</p> <p><input type="checkbox"/> Surety Plugging Bond</p> <p><input type="checkbox"/> Letter of Credit Plugging Bond</p> <p><input type="checkbox"/> Cash Reclamation Bond</p> <p><input type="checkbox"/> Surety Reclamation Bond</p> <p><input type="checkbox"/> Letter of Credit Reclamation Bond</p> <p><input type="checkbox"/> Blanket Cash Bond</p> <p><input type="checkbox"/> Blanket Surety Bond</p>	<p>Oil and Gas</p> <p><input type="checkbox"/> Cash Blanket Bond</p> <p><input type="checkbox"/> Surety Blanket Bond</p> <p><input type="checkbox"/> Letter of Credit Blanket Bond</p> <p><input type="checkbox"/> Cash Domestic Bond</p> <p><input type="checkbox"/> Surety Domestic Bond</p> <p><input type="checkbox"/> Letter of Credit Domestic Bond</p> <p>Mineral Test Hole</p> <p><input type="checkbox"/> Single Hole Cash Bond</p> <p><input type="checkbox"/> Single Hole Surety Bond</p>
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0400-52-01-.05 EXECUTION Any of the following shall serve as bonds:

- (1) A surety bond executed by the well operator as principal and by a corporate surety authorized to do business in Tennessee; or
- (2) Cash; or
- (3) A certified check; or
- (4) A Certificate of Deposit, if it is made out exactly as follows: "**Operator Name and Tennessee Oil and Gas Board or Tennessee Oil and Gas Board**"; and does not contain any terms or conditions that provide that the issuing bank may charge against the deposit any debt of the depositor(s) owing to it (set-off terms); or any terms or conditions that provide that anyone whose signature appears on the signature card may withdraw funds from the account. The operator shall be entitled to any interest earned on a certificate of deposit as the same becomes due and payable. The treasurer of the State of Tennessee shall receive and hold the originals of such certificates in the name of the State of Tennessee, in trust, for the purpose for which such deposit is made, and shall at all times be responsible for the custody and safekeeping of such deposits; provided, however, that the certificate may be returned to the issuing financial institution as may be necessary for renewal from time to time; or
- (5) An irrevocable letter of credit issued by any federally insured bank or savings and loan association. The letter of credit must comply with the format shown on Form ILC (Irrevocable Standby Letter of Credit format).

0400-52-01-.06 FORFEITURE

(1) The Supervisor shall cause a notice of noncompliance to be served upon the operator by certified mail, addressed to the permanent address shown on the application for a permit:

(a) If the requirements with respect to proper plugging upon abandonment of a well or wells and submission of all required records and data have not been complied with within the time limits set by the Board, and/or,

(b) If the requirements with respect to proper reclamation of the well site(s) and access roads have not been complied with within the time limits set by the Board.

(2) The notice shall specify in what respects the operator has failed to comply with this chapter or the regulations or orders of the Board.

(3) If the operator has not reached an agreement with the Supervisor, or has not complied with the requirements set forth within thirty (30) days after mailing the notice, the plugging bond shall then be forfeited to the Board, and the money used by the Board to properly plug the well(s), and/or the reclamation bond used to reclaim the well site(s) and access roads.

(4) In the case of the plugging bonds, such bonds are penal in nature, and the full amount of the bond will be forfeited.

(5) In the case of reclamation bonds, such bonds are considered to be performance bonds, and any portion of a reclamation bond not expended to perform the reclamation work shall be refunded to the operator or his surety if the conditions of the bond are fully satisfied.

IMPORTANT: *Each operator is expected to be familiar with the State of Tennessee Oil and Gas Rules and Regulations.* In the event any assistance is required, write the Supervisor, State Oil and Gas Program, Nashville Environmental Field Office, 711 R S Gass Blvd., Nashville, Tennessee 37216 or call 615-687-7120 and ask for the Supervisor, Oil and Gas Program.

NOTICE: Permits are not in any way construed as certification by the State of Tennessee that any property interest in the premises covered by a permit is vested in the permittee; it is issued solely under the regulatory powers vested in the Tennessee Oil and Gas Board under the provisions of Title 60 of the Tennessee Code Annotated for the purposes recited in said code section and the rules and regulations promulgated by the Board pursuant to said code section.

I certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision. The submitted information is to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. As specified in Tennessee Code Annotated Section 39-16-702(a) (4), this declaration is made under penalty of perjury.