



STATE OIL AND GAS BOARD OF ALABAMA

Bond (Single Well)

Form OGB-3, Rev. 07/13

Permit Number 01 - - - (To be filled in by Board) API Number

Surety Bond Number

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 surety shall pay to the State Oil and Gas Board the full amount of this bond upon demand by the State Oil and Gas Board.

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 a well in search of oil or gas, or the drilling or operation of a Class II injection, or the drilling or operation of a well for the underground storage of gas in reservoirs to be known as the ... well located in Section ..., Township ..., Range ..., or Offshore Tract ..., in ... County, Alabama.

Now, therefore, if said well 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 such well, 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 such well, and in the event such well 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 such well shall cease for a period of six (6) months or if such well should become dangerous to the public; and conditioned also that such principals(s) shall plug and abandon such well, dispose of all pit or tank fluids, close the pit, restore or clear the location, and maintain the site; and conditioned further that such principals(s) shall drill, operate, produce, and plug and abandon, said well, and that such principal(s) shall dispose of all pit or tank fluids, close the pit, restore or clear the location, and maintain the site 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, Name and Address of Surety

Signature of Duly Authorized Agent of Said Surety, Name and Address of Agent