

IRREVOCABLE LETTER OF CREDIT

For Reclamation Security Required by ORS 520.095 – Permit to Drill Oil/Gas Well

Letter of Credit No. _____ In the Amount of: _____ Dollars (\$ _____)

On _____ (date) we hereby establish this Irrevocable Letter of Credit in your favor for account of:

Permittee Name _____ Mailing Address _____

Street Address (if different) _____ City/State/Zip _____

and hereby authorize you to draw drafts on _____ (name of financial institution*)

at sight up to the aggregate amount of \$ _____ when accompanied by the following document:

Your signed statement indicating the number of this Letter of Credit and stating,

“The undersigned, an official of the Mineral Land Regulation & Reclamation Program, Oregon Department of Geology and Mineral Industries (DOGAMI) hereby certifies that the holder of a Permit to Drill Oil/Gas Well, DOGAMI API No. _____ located in _____ County, Township _____ Range _____ Section _____, of Oregon has not faithfully performed the reclamation plan or other requirements of ORS 520 and the rules adopted thereunder.”

Partial drawings are permitted.

All drafts must be marked “Drawn under (insert name of financial institution), Letter of Credit No. _____.”

This Letter of Credit expires on _____ (date); however, it is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment from year to year from the present or any future expiration date hereof, unless at least 60 (sixty) days prior to any such future expiration date, we notify you in writing by registered mail/courier that we elect not to consider this Letter of Credit to be extended for any additional period. Upon your receipt of such notice, you may draw under this Letter of Credit by means of your draft on us at sight when accompanied by the following document:

Your signed statement indicating the number of this Letter of Credit and stating,

“The undersigned, an official of the Mineral Land Regulation & Reclamation Program, Oregon Department of Geology and Mineral Industries, hereby certifies that we have received notice from (insert name of financial institution) of their election not to consider their Letter of Credit No. _____ extended for an additional period.”

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation to:

Name of Financial Institution _____

Mailing Address _____ Street Address (if different) _____

City/State/Zip _____ Phone _____

This Letter of Credit is subject to the International Standby Practices 1998, ICC Publication No. 590.

Sincerely,

Authorized Signature

Printed Name/Title

*Financial institution must have locations in the State of Oregon. Please return with ORIGINAL signatures to DOGAMI.