

Oklahoma Corporation Commission

Oil and Gas Conservation Division
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Instructions for Completing the Forms of the Oklahoma Corporation Commission Surety Requirements

(Revised 10-11-2004)

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Procedures to Drill and/or Operate Oil, Gas and/or Service Wells Within the State of Oklahoma

165:10-1-10. Operator's agreement; Category A and Category B surety

- (a) Any person who drills or operates any well for the exploration, development or production of oil or gas, or as an injection or disposal well, within this state, shall furnish in writing, on forms approved by the Corporation Commission, his agreement to drill, operate and plug wells in compliance with the rules and regulations of the Commission and the laws of this state, together with evidence of financial ability to comply with the requirements for plugging, closure of surface impoundments, removal of trash and equipment as established by the rules of the Commission and by law. [52 O.S. § 318.1]

Any operator violating this Section shall be fined \$500.00. To establish evidence of financial ability, the Commission shall require:

- (1) Category A surety which shall include a financial statement listing assets and liabilities and including a general release that the information may be verified with banks and other financial institutions. The statement shall prove a net worth of not less than \$50,000.00 in U.S. dollars; or
- (2) Category B surety shall include an irrevocable commercial letter of credit, cash, a cashier's check, a certificate of deposit, bank joint custody receipt, other approved negotiable instruments, or a blanket surety bond. Except as provided in (3) of this subsection, the amount of such Category B surety shall be in the amount of \$25,000.00 in U.S. dollars but may be set higher at the discretion of the Director of the Conservation

Division. The Commission is authorized to establish Category B surety in an amount greater than \$25,000.00 in U.S. dollars based upon the past performance of the operator and its insiders and affiliates regarding compliance with the laws of this state, and compliance with any rules promulgated thereto including but not limited to the drilling, operation and plugging of wells, closure of surface impoundments, or removal of trash and equipment. Any such Category B surety shall constitute an unconditional promise to pay and be in a form negotiable by the Commission.

- (3) The Commission may grant Category B surety in an amount less than \$25,000.00 in U.S. dollars to an operator who's statewide well plugging liability is less than \$25,000.00 in U.S. dollars. Said Category B surety shall be in an amount that is sufficient to cover the total estimated cost of properly plugging and abandoning each and Statewide well plugging liability shall be documented by an affidavit filed on Form 1006D and shall be properly executed by a duly licensed pipe pulling and well plugging company and shall be approved by the Conservation Division. Said affidavit shall state, among other things, an estimated cost of plugging, closure, and removal operations for each well in accordance with 165:10-11-3 through 165:10-11-8 inclusively and shall be accompanied by a Form 1000 (Intent to Drill) if the estimate involves a proposed well or by a Form 1002A (Completion Report) if the estimate involves a well that is a producing, injection, or disposal well. The estimated cost shall not include any salvage value as to recoverable casing, tubing, or wellhead equipment. The total statewide well plugging liability of an operator utilizing this Category B surety shall be kept current and shall be increased as additional wells are added to the responsibility of the operator and may be decreased as included wells are plugged and abandoned, but in no event shall exceed \$25,000.00 in U.S. dollars unless otherwise ordered by the Commission.

(b) Operators of record as of June 7, 1989, who do not have any outstanding contempt citations or fines and whose insiders or affiliates have no outstanding contempt citations or fines may post Category A surety.

- (1) New operators, operators who have outstanding fines or contempt citations and operators whose insiders or affiliates have outstanding contempt citations or fines as of June 7, 1989, shall be required to post Category B surety. Operators who have posted Category B surety and have operated under this type of surety and have no outstanding fines at the end of three years may post Category A surety.

- (2) Operators using Category A surety who are assessed a fine of \$2,000.00 in U.S. dollars or more and who do not pay the fine within the specified time shall be required to post a Category B surety within 30 days of notification by the Commission.

(c) If a bond is required, the bond shall be executed by a corporate surety authorized to do business in this State and shall be renewed and continued in effect until the conditions have been met or release of the bond is authorized by the Commission.

- (1) Irrespective of (a), (b), and (c) of this Section, for good cause shown concerning pollution or improper plugging of wells by an operator posting either Category A or Category B surety or by an insider or affiliate of such operator, the Commission, upon application of the Director of the Conservation Division after notice and hearing, may require the filing of additional Category B surety in an amount greater than \$25,000.00 in U.S. dollars but not to exceed \$100,000.00 in U.S. dollars.

- (d) The agreement (Form 1006B – Operator’s Agreement to Plug Oil, Gas and Service Wells Within the State of Oklahoma) provided for in (a) of this Section shall provide that if the Commission determines, after notice and hearing, that the person furnishing the agreement has neglected, failed, or refused to plug and abandon, or cause to be plugged and abandoned, or replug any well or has neglected, failed or refused to close any surface impoundment or remove or cause to be removed trash and equipment in compliance with the rules of this Chapter, then the person shall forfeit from his bond, letter of credit, or negotiable instrument or shall pay to this State, through the Commission for deposit in the State Treasury, a sum equal to the cost of plugging the well, closure of any surface impoundment, or removal of trash and equipment. The Commission may cause the remedial work to be done, issuing a warrant in payment of the cost thereof drawn against the monies accruing in the State Treasury from the forfeiture or payment. Any monies accruing in the State Treasury by reason of a determination that there has been a noncompliance with the provisions of the agreement (Form 1006B) or the rules and regulations of the Commission, in excess of the cost of remedial action ordered by the Commission, shall be credited to the Conservation Fund. The Commission shall also recover any costs arising from litigation to enforce this provision if the Commission prevails. Provided, before a person is required to forfeit or pay any monies to the State pursuant to this Section, the Commission shall notify the person at his last-known address of the determination of neglect, failure, or refusal to plug or replug any well, or close any surface impoundment, or remove trash and equipment, and said person shall have ten days from the date of notification within which to commence remedial operations. Failure to commence remedial operations shall result in forfeiture or payment as provided in this subsection. If the operator is a corporation, association, partnership, limited liability company or any entity other than an individual, the operator shall file as part of its Form 1006B a complete list, in tabular form, of the name, addresses, telephone numbers, social security numbers or driver license numbers, and percentages of ownership of all officers, directors, partners or principals of the operator and the insider and affiliates of the operator. The operator shall also file as part of its Form 1006B the current names and addresses of all service agents of the operator and the operator’s insiders and affiliates. The operator is required to file a Form 1006B with the Conservation Division every twelve (12) months.
- (e) No person shall drill or operate any well, or received an allowable, without complying with the provisions of this Section.
- (f) The Commission shall shut in, without notice, hearing or order of the Commission, the wells of any such person violating the provisions of this Section and such wells shall remain shut in for noncompliance until the required evidence of Category B surety is obtained and verified by the Commission. No taker, transporter, or purchaser of oil or gas shall take, transport, or purchase oil or gas from the wells of any such drillers or operators after receiving a copy of the shut-in order or notice by certified mail of the issuance of such an order.
- (g) If title to property or a well is transferred, the transferee shall furnish the evidence of financial ability to plug the well and close impoundments required by the provisions of this section, prior to the transfer.
- (h) The following words, when used in this Section, shall have the following meaning
- (1) “Affiliate” means an entity which owns twenty percent (20%) or more of the operator, or an entity of which twenty percent (20%) or more is owned by the operator.
 - (2) “Insider” means officer, director, or person in control of the operator; general partners of or in the operator; general or limited partnership in which the operator is a general partner; spouse of an officer, director, or person in control of the operator; spouse of a general partner of or in

the operator; corporation of which the operator is a director, officer, or person in control; affiliate, or insider of an affiliate as if such affiliate were the operator; or managing agent of the operator.

165:10-1-11. Financial statement as surety

- (a) A plugging agreement shall be accompanied by surety. The surety requirement may be met by furnishing the operator's current financial statement (Form 1006A) to the Conservation Division, which shall be a full statement of the operator's assets and liabilities and shall reflect the operator's total net worth of not less than \$50,000.00 in U.S. dollars located within the State of Oklahoma.
- (b) The value of producing oil and gas leaseholds for which the financial statement stands as surety will be deducted from total net worth unless the financial statement is accompanied by the written appraisal of a recognized independent appraiser of oil and gas properties showing the fair market value of the leasehold interest owned by the operator.
- (c) The Director of the Conservation Division may require proof in the form of an appraisal or other proof of the fair market value of any asset listed in the financial statement, and the Director of the Conservation Division may also require proof that the financial statement truly shows the net fair value of all assets over and above all debts and encumbrances.
- (d) A current financial statement shall be filed every twelve (12) months on Form 1006A.
- (e) Only one operator's name shall appear on each Form 1006A.
- (f) Along with the Form 1006A, an operator is required to file a Form 1006B (Operator's Agreement to Plug Oil, Gas and Service Wells Within the State of Oklahoma) with the Conservation Division.
- (g) The Commission shall reject the operator's Form 1006A if the operator fails to file the documentation required by this Section with the Conservation Division.

165:10-1-12. Corporate surety bond

- (a) An operator may file a blanket surety bond in the principal amount of \$25,000.00 in U.S. dollars on Form 1006 as surety. In the alternative, the operator may file a surety bond of a lesser amount but that is sufficient to cover the total estimated cost of properly plugging and abandoning each and every well, the operations for which, the operator is responsible. Said estimated cost shall be documented on Form 1006D (Affidavit of Well Plugging Cost) for each and every well. Said alternative surety bond shall be increased upward, but not to exceed \$25,000.00 in U.S. dollars, as additional wells are added to the operator's responsibilities, unless otherwise ordered by the Commission.
- (b) For purposes of (a) of this Section, an operator may file a surety bond issued by a corporation authorized to issue such bonds in the State of Oklahoma.
- (c) The Conservation Division shall not accept a bond unless the surety agrees to give the Conservation Division six months (6) written notice before cancellation of a bond prior to expiration of the bond and evidence furnished of acceptable alternate surety if required.

- (d) Only one operator's name shall appear on each Form 1006.
- (e) Along with the Form 1006, an operator is required to file a Form 1006B (Operator's Agreement to Plug Oil, Gas and Service Wells Within the State of Oklahoma) with the Conservation Division.
- (f) The Commission shall reject the operator's Form 1006 if the operator fails to file the documentation required by this Section with the Conservation Division.

165:10-1-13. Irrevocable commercial letter of credit

- (a) At his option, an operator may file an irrevocable commercial letter of credit from a bank in the sum of \$25,000.00 in U.S. dollars on Form 1006C as surety. In the alternative, the operator may file an irrevocable commercial letter of credit of a lesser amount but that is sufficient to cover the total estimated cost of properly plugging and abandoning each and every well, the operations for which, the operator is responsible. Said estimated cost shall be documented on Form 1006D (Affidavit of Well Plugging Cost) for each and every well. Said alternative irrevocable commercial letter of credit shall be increased upward, but not to exceed \$25,000.00 in U.S. dollars, as additional wells are added to the operator's responsibilities, unless otherwise ordered by the Commission.
- (b) The letter of credit shall be for a term of not less than one year.
- (c) The bank issuing the letter of credit shall endorse thereon that the letter of credit shall remain in effect until canceled or revoked by the bank or principal/operator upon six months notice in writing to the Conservation Division and evidence furnished of acceptable alternate surety if required.
- (d) Only one operator's name shall appear on each Form 1006C.
- (e) Along with the Form 1006C, an operator is required to file a Form 1006B (Operator's Agreement to Plug Oil, Gas and Service Wells Within the State of Oklahoma) with the Conservation Division.
- (f) The Commission shall reject the operator's Form 1006C if the operator fails to file the documentation required by this Section with the Conservation Division.

165:10-1-14. Cashier's check, certificate of deposit, or other negotiable instrument

- (a) An operator may deposit cash, a cashier's check, a certificate of deposit, bank joint custody receipt, or other negotiable instrument in the amount of \$25,000.00 in U.S. dollars as surety. In the alternative, the operator may deposit cash, a cashier's check, a certificate of deposit, bank joint custody receipt, or other negotiable instrument of a lesser amount but that is sufficient to cover the total estimated cost of properly plugging and abandoning each and every well, the operations for which, the operator is responsible. Said estimated cost shall be documented on Form 1006D (Affidavit of Well Plugging Cost) for each and every well. Said alternate amount shall be increased upward, but not to exceed \$25,000.00 in U.S. dollars, as additional wells are added to the operator's responsibilities, unless otherwise ordered by the Commission. However, any instrument must constitute an unconditional promise to pay and be in the form negotiable by the Commission.

- (b) A certificate of deposit shall be for a term of no less than three hundred sixty-five days (365).
- (c) Financial institutions issuing certificates of deposit pursuant to this Section shall do so in the following manner: **Oklahoma Corporation Commission or Oklahoma Corporation and (Name of Operator)**. Financial institutions issuing the certificates of deposit shall retain the original documents and copies of the certificates of deposit shall be furnished to the Commission.
- (d) Along with the negotiable instruments described in (a) of this Section, an operator is required to file a Form 1006B (Operator's Agreement to Plug Oil, Gas and Service Wells Within the State of Oklahoma) with the Conservation Division.
- (e) The Commission shall reject the negotiable instruments described in (a) of this Section if the operator fails to file the documentation required by this Section with the Conservation Division.

165:10-1-15. Transfer of operatorship of wells

- (a) Before the operations of a well can be transferred to a new operator, the following must be submitted:
 - (1) The new operator, or transferee, must comply with 165:10-1-10 before a change in operator is approved.
 - (2) Change of operator Form 1073 must be signed by both the transferor and transferee, with both stipulating that the facts presented are true and correct as to the area covered and the wells being transferred. Unless otherwise stated, the new operator assumes all responsibilities for the wells specified within the boundaries of the outlined area. For transfers involving more than ten (10) wells, a transferor and transferee may file a single Form 1073 with the Conservation Division indicating the transfer of multiple wells, provided that such multiple well transfer shall be accompanied by a well list containing the following information regarding each well being transferred:
 - (A) API number of the well;
 - (B) Well name and number;
 - (C) Legal location of the well, described by section, township and range.
 - (3) The well list may be provided in spreadsheet form, if possible, and may be filed in digital format specified by the Conservation Division. In lieu of the spreadsheet, the transferor and transferee, at their opinion, may file on Form 1073 indicating the transfer of multiple wells with an OCC Form 1002A Completion Report attached for each well transferred. Upon review by the Conservation Division, it may require but not be limited to, the quarter, quarter, quarter section calls, footages from the south and west quarter lines, and the drilling and completion dates.
 - (4) Conservation Division shall notify both the transferor and transferee of approval of the transfer of operatorship within thirty days (30) of the Conservation Division's approval of said transfer.
 - (5) Compliance with 165:10-5-7-11 when and if operatorship was designated by former orders of the Commission in pooling, increased density, and location exception applications.

- (b) Before the operatorship of a well can be transferred to a new operator when the current of former operator is unavailable for signature, one of the following may be submitted as proof of operatorship:
- (1) A certified copy of a recorded lease or assignment transferring all rights, title, and interest to the wells described on Form 1073 to the new operator.
 - (2) A certified copy of a journal entry of judgment rendered by a district court of Oklahoma having jurisdiction over the wells described on Form 1073 vesting legal title to the new operator.
 - (3) A certified copy of bankruptcy proceeding by the federal district court having jurisdiction over the wells described on Form 1073.
- (c) If an operator is not in compliance with an enforceable order of the Commission, the Conservation Division shall not approve any Form 1073 transferring well(s) to said operator until the operator complies with the order. The transferor of the well(s) listed on the Form 1073 remains responsible for the well(s) until any transfer is approved by the Commission.

165:10-1-16. Change of address

Each operator of a well or other facility subject to a permit shall give written notice of his change of address. Such notice shall be sent to the Director of the Conservation Division. It shall be due within thirty days (30) after changing addresses.

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FORM 1006 SURETY BOND

Last date revised: 2003

Form to be filled out by: Surety Bonding Company

Form to filed: Continuous, the bonding company to file the original bond form with the Corporation Commission or Annually, the original will be filed at the Corporation Commission

1. **OTC/OCC Operator No.:** This is the number that the Oklahoma Corporation Commission has or will assign to your company. This is a unique number that only your company will have.
2. **Bond No.:** This number is assigned by the Bonding Company.
3. **Time Period of Bond:** This will be determined by the Operator and the Bonding Company. Continuous Coverage makes the Bond automatically renewal whereas Coverage Beginning and Ending dates indicates that the bond is only in effect from specific date to specific. These dates must be at least one (1) year in length.

4. **Name of Operator**: This space is provided for the operator to list their name, company name, or corporation name.
5. **Address**: If the operator receives their mail at a Post Office Box, the operator is required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)
6. **Physical Address**: If the operator receives their mail at a Post Office Box, the operator is required to list also a physical address. (i.e., Route 4 Box 239 or 100 W Main).
7. **City, State, Zip Code**: This is the city, state and zip code of where the mail is to be sent.
8. **Phone Number**: The phone number of where the operator can be contacted.
9. **Fax Machine Number**: This is optional, but is highly encouraged of all operators who might have access to a fax machine.
10. **Contact Person**: If you need or want your surety mailings from the Corporation Commission directed to a specific person.
11. **E-Mail Address**: This is optional, but is highly encouraged of all operators who might have access to a computer and the internet.
12. **Name of Surety Company**: : This space is provided for the surety company to list their name, company name, or corporation name.
13. **Address**: If the surety company receives their mail at a Post Office Box, the operator is required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)
14. **Physical Address**: If the surety company receives their mail at a Post Office Box, the operator is required to list also a physical address. (i.e., Route 4 Box 239 or 100 W Main).

15. **City, State, Zip Code**: This is the city, state and zip code of where the mail is to be sent.
16. **Phone Number**: The phone number of where the surety company can be contacted.
17. **Fax Machine Number**: This is optional, but is highly encouraged of all surety companies who might have access to a fax machine.
18. **Contact Person**: If you need or want your surety mailings from the Corporation Commission directed to a specific person.
19. **E-Mail Address**: This is optional, but is highly encouraged of all surety companies who might have access to a computer and the internet.
20. **Amount of Bond**: This amount is usually \$25,000.00 in U.S. Dollars. This amount can be lesser or greater depending upon certain circumstances. But, the normal amount is \$25,000.00.
21. **Date and Signature of Company Representative**: This is where the operator must sign and date the surety bond.
22. **Date and Signature of Surety Company**: This is where a representative of the Surety Bonding Company must sign and date the form.
23. **Affix the Surety Company Seal**: This seal provides to the Corporation Commission that this is the original and not a copy of the Surety Bond.

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OTC/OCC Operator No. _____
 BOND No. _____

Form 1006
 (Rev 2003)

OKLAHOMA CORPORATION COMMISSION

Oil and Gas Conservation Division
 PO Box 52000
 Oklahoma City, OK 73152-2000

SURETY BOND
 (OAC 165:10-1-12)
 (TYPE OR PRINT USING BLACK INK)

<i>This Surety Bond is being issued for the following time period:</i>
Continuous Coverage _____
Coverage Begins _____
Coverage Ends _____

KNOW ALL MEN BY THESE PRESENTS:

NAME OF OPERATOR:			
MAILING ADDRESS:			
PHYSICAL ADDRESS: (If different from the Mailing Address)			
CITY, STATE and ZIP CODE:			
PHONE NUMBER:		FAX NUMBER:	
CONTACT PERSON:		E-MAIL ADDRESS:	
NAME OF SURETY COMPANY:			
MAILING ADDRESS:			
PHYSICAL ADDRESS: (If different from the Mailing Address)			
CITY, STATE and ZIP CODE:			
PHONE NUMBER:		FAX NUMBER:	
CONTACT PERSON:		E-MAIL ADDRESS:	

That the operator herein referred to as Principal and that Surety Company authorized to do business within the State of Oklahoma are held and firmly bound unto said State in the penal sum up to an amount not exceeding \$_____, lawful money of the United States, for which payment will and truly be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly of these presents.

The condition of this obligation is that the above bounden principal proposes to drill and/or operate an oil, gas, injection, disposal or service well or wells within the State of Oklahoma. Bounden principal has furnished his agreement in writing to the Corporation Commission of the State of Oklahoma according to the General Rules and Special Orders of the Commission.

Now, therefore, if the above bounden principal shall plug each well drilled and/or operated by him within the State of Oklahoma at the time and in the manner prescribed by the laws of the State of Oklahoma and the General Rules and Special Orders of the Corporation Commission of the State of Oklahoma, then this obligation shall be null and void; otherwise, the same shall be and remain in full force and effect. This obligation may be terminated upon six (6) month notice in writing to the Conservation Division and evidence furnished of acceptable alternate surety if required (OAC 165:10-1-12, 52 O.S. § 318.1) or as the rule or statute may be amended. Such termination is not effective until this obligation is released by the Surety Department of the Conservation Division.

Provided, however, the aggregate liability of the surety hereunder shall in no event exceed the sum of this bond.

Witness our hands and seals, this _____ day of _____, 20_____.

Signature of Principal Officer

Type or Printed Name of the Officer Listed Above

Witness our hands and seals, this _____ day of _____, 20_____.

Affix the Surety Company Seal Here

Signature of Surety Company

Typed or Printed Name of the Surety Company Listed Above

Name of Surety Company

Counter Signed by:

_____, _____
Oklahoma Resident Service Agent Physical Address, City, State, Zip Code, Phone Number

(When the principal or surety executes this bond by agent or attorney in fact, the evidence of authority must accompany this bond.)

If the amount of surety coverage is less than \$25,000.00 USD or for an injection well then an original affidavit (OCC Form 1006D) of estimated plugging costs from an Oklahoma Licensed Pipe Puller and Well Plugging Company must accompany this Bond. The affidavit must state the Well Name and Number, Legal Locations, and the estimated cost of properly plugging and abandonment of each well or wells pursuant to Commission rules.



FORM 1006A FINANCIAL STATEMENT

Last date revised: 1996

Form to be filled out by: Operator

Form must be filed: Annually, the original to be filed with the Corporation Commission

Special Qualifications: An operator must have been in good standing with the Oklahoma Corporation Commission for a minimum of three (3) years prior service without any breaks in surety coverage before applying for the usage of the Financial Statement. All lines are not required to be filled in.

NOTE: Before an operator can use a Financial Statement the operator must have a minimum of \$50,000.00 in U.S. Dollars net worth in Oklahoma Assets.

1. **Name of Operator:** This space is provided for the operator to list their name, company name, or corporation name.
2. **Address:** If the operator receives their mail at a Post Office _Box, the operator is required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)

3. **City, State, Zip Code**: This is the city, state and zip code of where the mail is to be sent.
4. **Phone Number**: The phone number of where the operator can be contacted.
5. **Amount of Financial Statement**: This is the amount of the Net Worth of the Operator. The operator must have a net worth of greater than \$50,000.00 U.S. Dollars. Of this amount, the minimum amount must be in Oklahoma assets.
6. **ASSETS ***: The assets listed on this must be readily found within the State of Oklahoma.
 - 6.1 **Cash on hand and in banks (schedule)**: For amount included on this line, include a minimum of Name of Bank, Address, City, State, Zip Code, Phone, and a Name of an Officer of the Bank that can confirm the information provided.
 - 6.2 **U.S. Government securities**: The actual cash value of any government securities.
 - 6.3 **Stocks (schedule)**: For this amount, please include name of the broker, address, city, state, zip code, phone number and a name of the broker, and also a list of stocks, bonds, and other negotiable papers, so, the value can be verified.
 - 6.4 **Life insurance (cash value)**: Give the cash value of any life insurance, for whom it covers and with what insurance company, with address, city, state, zip code, phone number and name of an agent that can verify the insurance.
 - 6.5 **Current accounts receivable (schedule)**: Please provide a complete list of all accounts receivables. This includes names of persons, companies and any other entities that owe money to the operator, along with the amount owed.

- 6.6 **Loans made to others (due)(schedule)**: Please provide a complete list of all loans made to others. Include the names of whom the loans were made and the amount of the loans.
- 6.7 **Other**: List any other values of assets here.
- 6.8 **Total of all Liquid Assets**: (Add lines 1 thru 7).
- 6.9 **Real Estate ** (schedule)**: List here the value of any real estate located within the State of Oklahoma. Include the acreage and legal description of the location of the land.
- 6.10 **Mineral Worth *** (schedule)**: Include a copy of an engineer report of the potential mineral recovery.
- 6.11 **Machinery and equipment *** (schedule)**: List all machinery and equipment that is located within the State of Oklahoma along with an appraisal of the machinery and equipment or a copy of the book value of the machinery and equipment.
- 6.12 **All other assets (describe separately)**: List all assets that are located within the State of Oklahoma here.
- 6.13 **Total of all Other Assets**: (Total lines 9 thru 13).
- 6.14 **Total OF ALL ASSETS**: (Total Lines 8 and 13).
- 6.15 **LIABILITIES**: These liabilities should be attributable to Oklahoma operations only.
- 6.15(a) **Notes payable to banks (names of banks, amounts and collateral)**: Provide a list of all the banks that you or your company owes, along with the amount of the loan plus a listing of what was put up as collateral.

- 6.16 **Notes payable to others (schedule including collateral)**: Provide a list of all individuals that you have borrowed money from, along with the amount of money and what collateral was secured to guarantee pay back.
- 6.17 **Accounts payable**: Amount of money owed and is to be paid.
- 6.18 **Other short or intermediate term liabilities**: Amount of money owed on other short or intermediate notes or loans.
- 6.19 **Total (Lines 15 thru 18)**: (Add lines 15 thru 18). This will give you your total of your short and intermediate term liabilities.
- 6.20 **Real estate mortgages (name of holder and amounts)**: Provide a list of the name of the mortgage company, along with address, city, state, zip code and phone number and the amount of the mortgage.
- 6.21 **Other long term liabilities (schedule including collateral)**: List all other long term liabilities with a list of the names, addresses, city, state, zip code and phone numbers along with the amounts of the liabilities. Please include what collateral is guarantee to cover the loan in case of default.
- 6.22 **Total (Lines 20 and 21)**: (Add lines 20 and 21). This will give you your total long term liabilities.
- 6.23 **TOTAL (Lines 19 and 22)**: (Add lines 19 and 22). This will get your total liabilities.
- 6.24 **NET WORTH (lines 14 and 23)**: (Subtract line 23 from line 14). This will give you your total net worth. It must be at least \$50,000.00.
1. **Liability Insurance**: If you carry liability insurance, please provide the name of the company, address, city, state, zip code, a phone number and the policy number.
- 8.1 **Signature of Company Representative**: This is where the operator must sign the financial statement.

- 8.2 **Date of signing**: The date that the form is signed by the company representative.
- 8.3 **Operator Number**: This is the number that was assigned to the operator when they first registered to be an operator with the Oklahoma Corporation Commission.
- 9.1 **Name of Company Representative**: This line the company representative needs to type or print their name.
- 9.2 **Title of Company Representative**: This line the company representative needs to type or print their title or position with the company.
- 23.1 **Notary Information - County of**: The notary needs to indicate what county they are located in.
- 23.2 **Notary Information - Date signed**: The notary needs to indicate here what day, month and year that this form was signed in their presence.
- 23.3 **Notary Information - Commission Expiration**: The notary needs to indicate here what month and year that their commission expires.
- 23.4 **Notary Information - Notary Signature**: The notary needs to sign this form.
- 23.5 **Notary Information - Notary Seal**: The notary needs to affix their seal.

* Oklahoma Assets Only

** Real estate with homestead exemption cannot be considered in determining your financial acceptability. Item 9 must be accompanied by a copy of the tax receipt.

*** Must be accompanied by independent appraisal.

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TYPE OR PRINT
USING BLACK INK ONLY

OKLAHOMA CORPORATION COMMISSION

Oil & Gas Conservation Division

PO Box 52000

Oklahoma City, OK 73152-2000

FORM 1006A

Rev. 1996

Financial Statement

OAC 165:10-1-11

I _____, as Operator,

With an address of _____

City _____, State _____ Zip _____ Phone _____

State and attest, that I have a total net worth of \$_____ all of which is located in the State of Oklahoma, and is supported and documented by the description and stated values of the assets and liabilities as are shown herein. This financial statement is to be used to reflect a minimum net worth of \$50,000.00 and is to be completed in its entirety or it shall be returned unapproved. The value of producing oil and gas leaseholds for which the financial statement stands as security, Items 10 and 11, will be deducted from total net worth, Item 24, unless the financial statement is accompanied by the written appraisal of a recognized independent appraiser of oil and gas properties showing the fair market value of the leasehold interest owned by the operator. The Director of Conservation may require proof in the form of an appraisal or other proof of fair market value of any asset listed in the financial statement, and the Director of Conservation may also require proof that the financial statement truly shows the net fair market value of all assets over and above all debts and encumbrances.

******* THE FINANCIAL STATEMENT MUST BE RENEWED ANNUALLY *******

ASSETS*	LIABILITIES
Liquid Assets	Short Term and Intermediate Term Liabilities
1. Cash on hand and in banks (schedule) _____	15. Notes payable to banks _____ (name of bank, amount and collateral)
2. U.S. Government securities _____	16. Notes payable to others _____ (schedule including collateral)
3. Stocks (schedule) _____	17. Accounts payable _____
4. Life Insurance (cash value) _____	18. Other short or intermediate term liabilities _____
5. Current accounts receivable (schedule) _____	19. TOTAL (Lines 15 thru 18) _____
6. Loans made to others (due) (schedule) _____	
7. Other _____	
8. TOTAL (Lines 1 thru 7) _____	Long Term Liabilities
	20. Real estate mortgages _____



FORM 1006B OPERATOR'S AGREEMENT TO PLUG OIL, GAS, AND SERVICE WELLS WITHIN THE STATE OF OKLAHOMA

Last date revised: 2003

Form to be filled out by: Operator

Form must be filed: Annually, the original will be filed at the Corporation Commission

1. **OCC/OTC No.:** This is your operator number that you were assigned when you first registered with the Oklahoma Corporation Commission to become an operator within the State of Oklahoma. **NOTE:** If you are a new operator just registering, please leave this space blank and the Oklahoma Corporation Commission will assign you a number.
2. **Name of Operator:** This space is provided for the operator to list their name, company name, or corporation name.

3. **Mailing Address**: If the operator receives their mail at a Post Office Box, the operator is required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)
4. **Physical Address**: List your physical address here if it is different from your mailing address.
5. **City, State and Zip code**: Please include your city, state and zip code of your mailing address.
6. **Phone Number**: The phone number of where the operator can be contacted.
7. **Fax Number**: This is optional. If you would like the OCC to be able to contact you via a fax machine, please provide a phone number here.
8. **Contact Person**: Please provide the OCC with a name of a person who should receive Surety mailing.
9. **E-Mail Address**: This is optional. If you would like the OCC to be able to contact you via the Internet, please provide an address here.
10. **Date of signing**: The date that the form is signed by the company representative.
11. **Name of Company Representative**: This line the company representative needs to type or print their name.
12. **Federal Employers Identification Number**: If your company has been issued a Federal Employers Identification number from the Internal Revenue Service. This number is required of all Corporations and Limited Liability Companies.
13. **Signature of Company Representative**: This is where the operator must sign.

14. **Social Security Number**: This item does not have to be completed if your company has provided a Federal Employers Identification Number. Otherwise, please provide the Social Security Number of the person signing this form.
15. **Officers, Directors, Partners or Principals**: As of July, 1996, the state statute and the Oklahoma Corporation Commission Rules were modified to include all officers, board of directors, partners or principals, along with any insiders and/or affiliates of this company must provide the following information:
- 15.1 **Name of Officers, Directors, Partners or Principals**: Print the name of the officer, directors, partner or principal.
- 15.2 **Title**: Include the title of the person that is named on this line.
- 15.3 **Home Address**: Place the home address of the named person from above.
- 15.4 **City, State, and Zip Code**: Place the home city, state, and zip code of the officer, director, partner, or principal of this company.
- 15.5 **Home Phone**: Include the home phone number of this person.
- 15.6 **Social Security Number or Driver's License Number including the State of Issuance**: Include the officers, directors, partners or principals social security number or if they prefer include their driver's license number along with the state's name that issued the driver's license number.
- 15.7 **Percent of Ownership**: Include the percentage of the ownership of each person named.
- 15.8 Continue to repeat this procedure until all officers, directors, partners or principals have been listed. **NOTE**: All information provided to the Surety department is considered confidential and will not be provided to anyone except through proper channels.

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OKLAHOMA CORPORATION COMMISSION

Oil and Gas Conservation Division
P. O. Box 52000
Oklahoma City, OK 73152-2000

**OPERATOR'S AGREEMENT TO PLUG OIL, GAS,
AND SERVICE WELLS WITHIN THE STATE OF OKLAHOMA**

(OAC 165:10-1-10)

(TYPE OR PRINT USING BLACKINK)

KNOW ALL MEN BY THESE PRESENTS:

NAME OF OPERATOR:			
MAILING ADDRESS:			
PHYSICAL ADDRESS: (If different from the Mailing Address)			
CITY, STATE and ZIP CODE:			
PHONE NUMBER:		FAX NUMBER:	
CONTACT PERSON:		E-MAIL ADDRESS:	

That the above described entity, as Operator, authorized to do business within the State of Oklahoma, proposes to drill and/or operate a well or wells for the exploration, development, or production of oil and/or gas, or as an injection, disposal, or service well within the State of Oklahoma, and hereby agrees to plug each such well, at the time and in the manner prescribed by the laws of the State of Oklahoma and the General Rules and Special Orders of the Corporation Commission of the State of Oklahoma.

The operator hereby states that he has met the requirements as stated in OAC 165:10-1-10.

If the Commission determines that the above named operator has neglected, failed, or refused to plug any well at the time and in the manner prescribed by the laws of the State of Oklahoma and the General Rules and Special Orders of the Corporation Commission of the State of Oklahoma, the operator will forthwith forfeit or pay to the State, through the Commission, a sum equal to the cost of plugging the well plus any expenses incurred by litigation to enforce this Agreement, the Commission shall cause the well to be plugged.

I declare and state that I have personal knowledge of the contents of this Operator's Agreement to Plug, Oil, Gas and Service Wells within the State of Oklahoma, which was prepared by me or under my supervision and direction, with the data and facts stated herein to be true, correct, and complete to the best of my knowledge and belief. Any person who shall verify under oath any report, map or drawing or other statement or document authorized or required by the provisions of this act (52 O.S. § 109) or by any order, rule or regulation of the Commission made under the provisions of this act to be filed with the Commission or with the Secretary of the Commission, or with any other officer, and who files or causes the same to be filed with the Secretary of the Commission or other officer, which states or contains any material matter which he knows to be false is guilty of perjury and upon conviction thereof shall be punished by imprisonment in the State Penitentiary for not less than two (2) years, nor more than ten (10) years.

Dated this _____ day of _____, 20_____.

Print or Type Name of Operator

Federal Employers Identification Number:

Signature of Operator, Partner, or Principal
Office of Operator

Social Security Number: _____

(CONTINUED ON THE BACK)

Form 1006B Continued

As of July 1, 1996, all operators of oil, gas or service wells within the State of Oklahoma are required to file the Form 1006B on an annual basis and to supply the following information. If additional pages are needed, please provide the information in the same manner as shown below:

(TYPE OR PRINT USING BLACK INK)

Name of Officers, Directors, Partners or Principals Title

Home Address

City, State, Zip

Home Phone Social Security Number
or Driver's License Number
Percent of Ownership: _____ include the State of Issuance

Name of Officers, Directors, Partners or Principals Title

Home Address

City, State, Zip

Home Phone Social Security Number
or Driver's License Number
Percent of Ownership: _____ include the State of Issuance

Name of Officers, Directors, Partners or Principals Title

Home Address

City, State, Zip

Home Phone Social Security Number
or Driver's License Number
Percent of Ownership: _____ include the State of Issuance

Name of Officers, Directors, Partners or Principals Title

Home Address

City, State, Zip

Home Phone Social Security Number
or Driver's License Number
Percent of Ownership: _____ include the State of Issuance

Name of Officers, Directors, Partners or Principals Title

Home Address

City, State, Zip

Home Phone Social Security Number
or Driver's License Number
Percent of Ownership: _____ include the State of Issuance

Name of Officers, Directors, Partners or Principals Title

Home Address

City, State, Zip

Home Phone Social Security Number
or Driver's License Number
Percent of Ownership: _____ include the State of Issuance

Name of Officers, Directors, Partners or Principals Title

Home Address

City, State, Zip

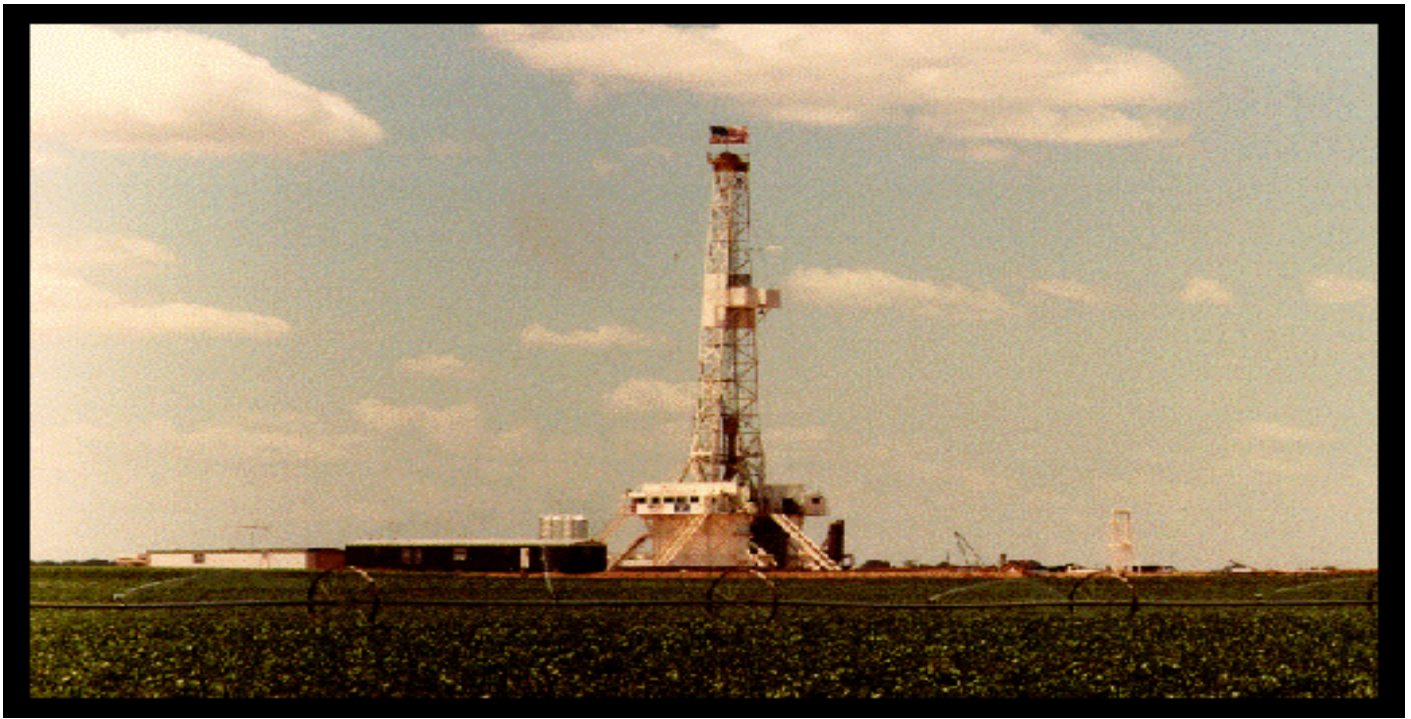
Home Phone Social Security Number
or Driver's License Number
Percent of Ownership: _____ include the State of Issuance

Name of Officers, Directors, Partners or Principals Title

Home Address

City, State, Zip

Home Phone Social Security Number
or Driver's License Number
Percent of Ownership: _____ include the State of Issuance



FORM 1006C IRREVOCABLE COMMERCIAL LETTER OF CREDIT

Last date revised: 2003

Form to be filled out by: Banks and other Financial Institutions

Form to file: Annually in most cases, the original form will be filed with the Corporation Commission for at least an one (1) year period.

1. **Letter of Credit No.:** This number is assigned by the Bank or other Financial Institution.
2. **OTC/OCC Operator No.:** This is the number that the Oklahoma Corporation Commission has or will assign to your company. This is a unique number that only your company will have.
3. **Date:** The date that the form is being filled out.
4. **Name of Bank or other Financial Institution:** This space is provided for the Bank or other Financial Institution to list their name.

5. **Mailing Address**: If the Bank or other Financial Institution receives their mail at a Post Office Box, the Bank or other Financial Institution is required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)
6. **Physical Address**: If the address is different from the mailing address.
7. **City, State, Zip Code**: This is the city, state and zip code of where the mail is to be sent.
8. **Phone Number**: The phone number of where the Bank or other Financial Institution can be contacted.
9. **Fax Number**: This is optional, but is highly encouraged of all financial institutions that have access to a fax machine.
10. **Contact Person**: If you need or want your surety mailings from the Corporation Commission directed to a specific person.
11. **E-Mail Address**: This is optional, but is highly encouraged of all financial institutions that might have access to a computer and the Internet.
12. **Name of Operator**: This space is provided for the operator to list their name, company name, or corporation name.
13. **Mailing Address**: If the operator receives their mail at a Post Office Box, the operator is required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)
14. **Physical Address**: If the operator receives their mail at a different location than their physical location.
15. **City, State, Zip Code**: This is the city, state and zip code of where the mail is to be sent.
16. **Phone Number**: The phone number of where the operator can be contacted.

17. **Fax Number:** This is optional, but is highly encouraged of all operators that have access to a fax machine.
18. **Contact Person:** If you need or want your surety mailings from the Corporation Commission directed to a specific person.
19. **E-Mail Address:** This is optional, but is highly encouraged of all operators who might have access to a computer and the Internet.
20. **Amount of Letter of Credit:** This amount is usually \$25,000.00 in U.S. Dollars. This amount can be lesser or greater depending upon certain circumstances. But, the normal amount is \$25,000.00.
21. **Date of Expiration of the Letter of Credit:** The letter of credit must be issued for a period of not less than one (1) year. But, can be issued for more than one (1) year or can be issued with no expiration, so, the letter of credit renews automatically each year.
22. **Signature of Bank or Other Financial Institution Representative:** This is where the President or Vice President of the Bank or other Financial Institution Representative must sign the letter of credit.
23. **Signature of Cashier - Assistant Cashier:** This is where the Cashier - Assistant Cashier of the Financial Institution must sign the letter of credit.

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Letter of Credit No. _____

OCC/OTC Operator No. _____

OKLAHOMA CORPORATION COMMISSION

Oil and Gas Conservation Division
P. O. Box 52000
Oklahoma City, OK 73152-2000

IRREVOCABLE COMMERCIAL LETTER OF CREDIT

OAC 165:10-1-13

(TYPE OR PRINT USING BLACK INK)

DATE: _____

KNOW ALL MEN BY THESE PRESENTS:

NAME OF BANK:			
MAILING ADDRESS:			
PHYSICAL ADDRESS: (If different from the Mailing Address)			
CITY, STATE and ZIP CODE:			
PHONE NUMBER:		FAX NUMBER:	
CONTACT PERSON:		E-MAIL ADDRESS:	
NAME OF OPERATOR:			
MAILING ADDRESS:			
PHYSICAL ADDRESS: (If different from the Mailing Address)			
CITY, STATE and ZIP CODE:			
PHONE NUMBER:		FAX NUMBER:	
CONTACT PERSON:		E-MAIL ADDRESS:	

We hereby authorize you to draw upon the banking institution stated above by order and for the account of the above named operator up to an amount not exceeding \$_____ available by your drafts on ourselves at sight for 100% invoice cost accompanied by a formal order of the Corporation Commission of the State of Oklahoma entered pursuant to and in aid of the enforcement of the Commission. This obligation may be terminated upon six (6) month notice in writing to the Conservation Division and evidence furnished of acceptable alternate surety if required (OAC 165:10-1-13 and 52 O.S. § 318.1) or as the rule or statute may be amended. Such termination is not effective until this obligation is released by the Surety Department.

This Letter of Credit, which must be valid for at least one (1) year, will expire on midnight on the _____ day of _____, 20____ or when the next succeeding Letter of Credit is furnished to the Commission, whichever comes first. In no event will the obligations of multiple Letters of Credit securing the same Operators Agreement be cumulative or in excess of the total aggregate sum of \$25,000.00.

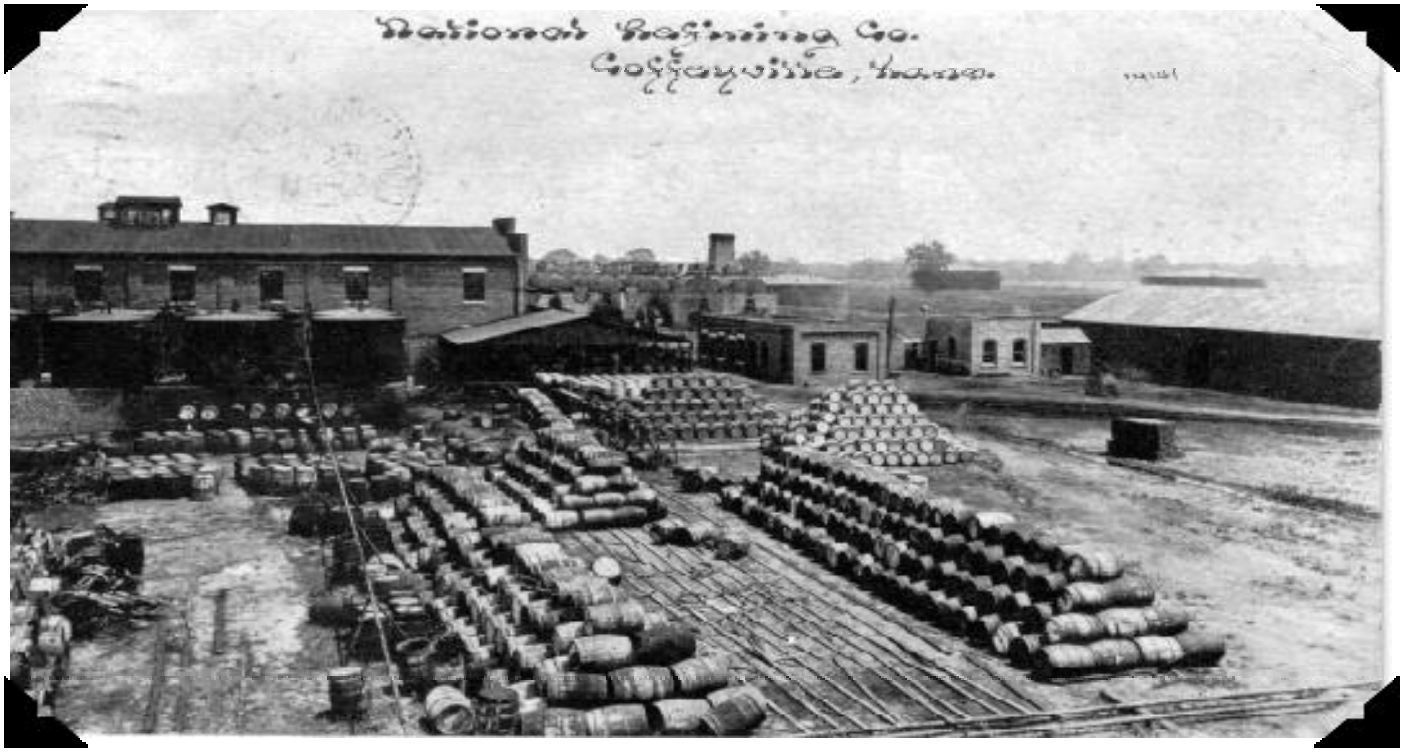
We hereby agree with the drawers, endorsers, and bona fide holders of all drafts drawn under and in compliance with the terms of the Letter of Credit that such drafts will be duly honored upon presentation to the drawee.

President/Vice President of Bank

Cashier – Assistant Cashier

If the amount of surety coverage is less than \$25,000.00 then an original affidavit (OCC Form 1006D) from an Oklahoma Licensed Pipe Pulling and Well Plugging Company must accompany this Letter of Credit. The affidavit must state the well name and number, legal location, and the estimated cost to properly plug and abandon each well(s) pursuant to Commission rules.

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FORM 1006CC CASHIERS CHECK

Last date revised: 2003

Form to be filled out by: Banks and other Financial Institutions

Form to filed: Once, the original to be filed with the Corporation Commission

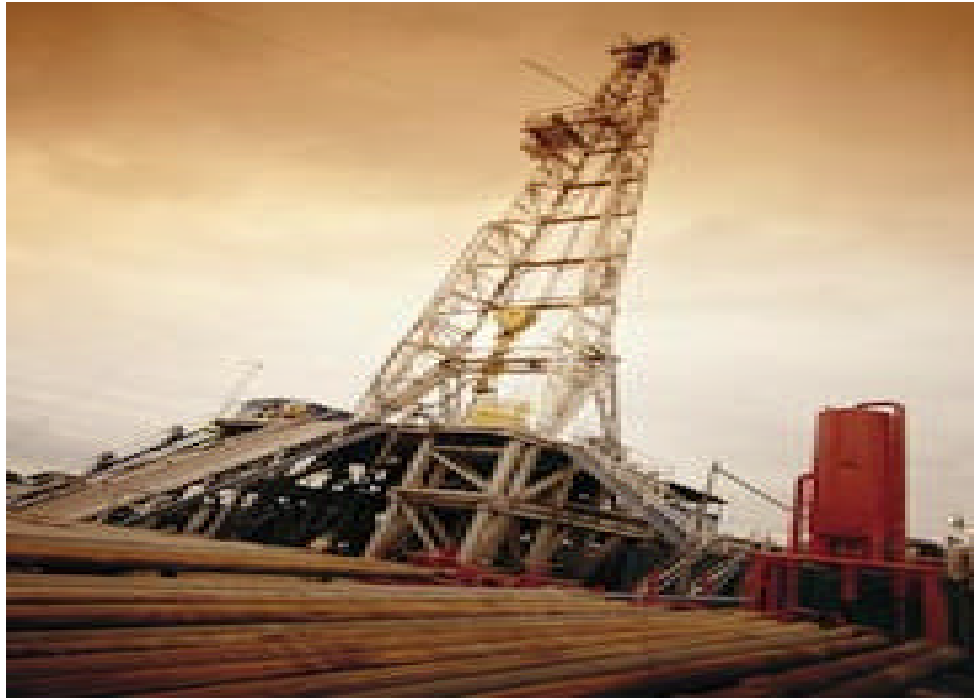
1. **Filing the Cashiers Check:** Operators wishing to use a Cashiers Check to meet the requirements of surety need to do the following:
2. **Cashiers Checks MUST read as follows:** Cashiers Checks need to be made pay to the order of "Oklahoma Corporation Commission."
3. **Name of Bank or other Financial Institution:** The Cashiers Check must contain the complete name of the Bank of other Financial Institution that is issuing this document.
4. **Mailing Address:** The address of the Bank or other Financial Institution must be on the face of the Cashiers Check. If the Bank or other Financial Institution receives their mail at a Post Office Box, the Bank or other Financial

Institution is required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)

5. **Physical Address:** List the physical address if it is different from the mailing address.
6. **City, State, Zip Code:** This is the city, state and zip code of where the mail is to be sent.
7. **Phone Number:** The phone number of where the Bank or other Financial Institution can be contacted.
8. **Fax Number:** This is optional, however, it is highly encouraged that the Financial Institution provide a fax number.
9. **Contact Person:** If the financial institutional wishes to have their surety mailings directed to a specific person.
10. **E-Mail Address:** This is optional, however, it is highly encouraged that the Financial Institution provide an email address.
11. **Name of the Operator:** The name of the operator must list their name, company name, or corporation name.
12. **Mailing Address:** If the operator receives their mail at a Post Office Box, they are required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)
13. **Physical Address:** List the physical address if it is different from the mailing address.
14. **City, State, Zip Code:** This is the city, state and zip code of where the mail is to be sent.
15. **Phone Number:** The phone number of where the operator can be contacted.

16. **Fax Number:** This is optional, however, it is highly encouraged that the Financial Institution provide a fax number.
17. **Contact Person:** If the financial institutional wishes to have their surety mailings directed to a specific person.
18. **E-Mail Address:** This is optional, however, it is highly encouraged that the Financial Institution provide an email address.
19. **Amount of Cashiers Check:** This amount is usually \$25,000.00 in U.S. Dollars. This amount can be lesser or greater depending upon certain circumstances. But, the normal amount is \$25,000.00.
20. **Signature of Bank or Other Financial Institution Representative:** This is where the President or Vice President of the Bank or other Financial Institution Representative must sign the Cashiers Check.

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FORM 1006CD CERTIFICATE OF DEPOSIT

Last date revised: 2003

Form to be filled out by: Banks and other Financial Institutions

Form to file: Annually in most cases, this form can be filed for more than a one (1) year period. The original Certificate of Deposit will be retained by the Bank or other Financial Institution and a copy of the certificate will be filed with the Corporation Commission

1. **Filing the Certificate of Deposit:** Operators wishing to use a Certificate of Deposit to meet the requirements of surety need to do the following:
2. **Joint accounts MUST read as follows:**
"(NAME OF THE OPERATOR) AND OKLAHOMA CORPORATION
COMMISSION OR OKLAHOMA CORPORATION COMMISSION."
3. **Notification of Issuance:** Once the Bank or other Financial Institution issues the Certificate of Deposit, the original should remain with the issuing Bank or

other Financial Institution and only a copy needs to be mailed to the Corporation Commission.

4. **Length of Term**: The Certificate of Deposit must be issued for no less than one (1) year but can be issued for automatic renewal.
5. **Name of Bank or other Financial Institution**: The Certificate of Deposit must contain the complete name of the Bank or other Financial Institution that is issuing this document.
6. **Mailing Address**: The address of the Bank or other Financial Institution must be on the face of the Certificate of Deposit. If the Bank or other Financial Institution receives their mail at a Post Office Box, the Bank or other Financial Institution is required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)
7. **Physical Address**: List the physical address if it is different from the mailing address.
8. **City, State, Zip Code**: This is the city, state and zip code of where the mail is to be sent.
9. **Phone Number**: The phone number of where the Bank or other Financial Institution can be contacted.
10. **Fax Number**: This is optional, however, it is highly encouraged that the Financial Institution provide a fax number.
11. **Contact Person**: If the financial institutional wishes to have their surety mailings directed to a specific person.
12. **E-Mail Address**: This is optional, however, it is highly encouraged that the Financial Institution provide an email address.
13. **Name of the Operator**: The name of the operator must list their name, company name, or corporation name.

14. **Mailing Address:** If the operator receives their mail at a Post Office Box, they are required to list also a physical address. (i.e., Route 4 Box 239 or 149 West Main, Ste. 400, etc.)
15. **Physical Address:** List the physical address if it is different from the mailing address.
16. **City, State, Zip Code:** This is the city, state and zip code of where the mail is to be sent.
17. **Phone Number:** The phone number of where the financial institution can be contacted.
18. **Fax Number:** This is optional, however, it is highly encouraged that the Financial Institution provide a fax number.
19. **Contact Person:** If the financial institutional wishes to have their surety mailings directed to a specific person.
20. **E-Mail Address:** This is optional, however, it is highly encouraged that the Financial Institution provide an email address.
21. **Amount of Certificate of Deposit:** This amount is usually \$25,000.00 in U.S. Dollars. This amount can be lesser or greater depending upon certain circumstances. But, the normal amount is \$25,000.00.
22. **Date of Expiration for the Certificate of Deposit:** The Certificate of Deposit must be issued for a period of not less than one (1) year. But, can be issued for more than one (1) year or can be issued with no expiration, so, that the Certificate of Deposit renews automatically each year.
23. **Signature of Bank or Other Financial Institution Representative:** This is where the President or Vice President of the Bank or other Financial Institution Representative must sign the Certificate of Deposit.

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OKLAHOMA
CORPORATION COMMISSION

P.O. BOX 52000
OKLAHOMA CITY, OKLAHOMA 73152-2000

255 Jim Thorpe Building
Telephone : (405) 521-2301
FAX: (405) 521-3099



OIL & GAS CONSERVATION DIVISION

Mike Battles, Director

RE: JOINT ACCOUNTS BETWEEN COMMISSION AND OPERATOR

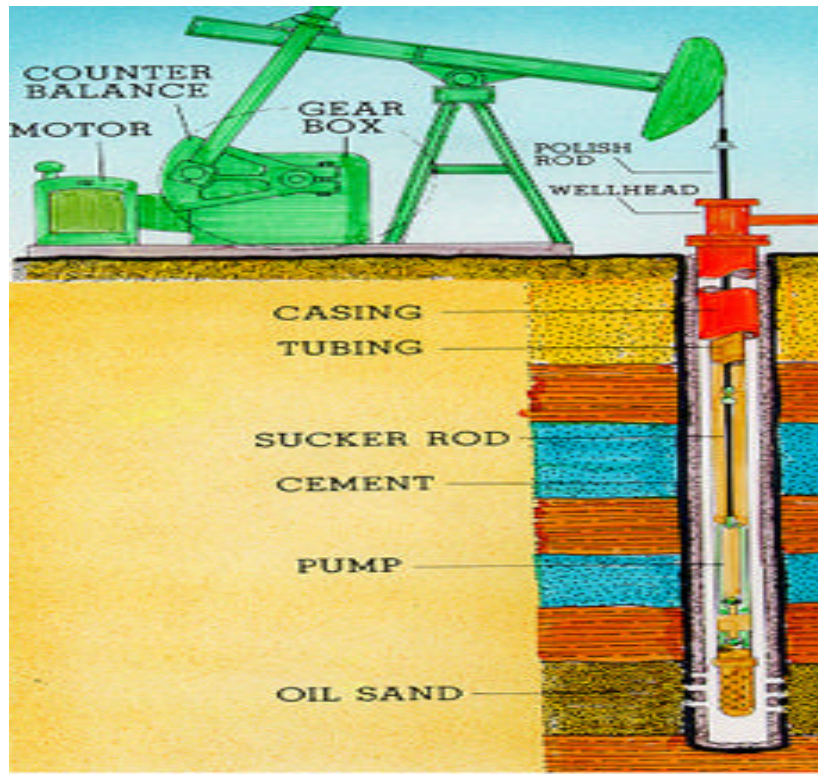
Some operators seek to comply with the statutory surety requirements by depositing a sum of money in a joint account with the Commission. The Office of General Counsel has advised that, in order to comply with the statutory requirement that "any instrument shall constitute an unconditional promise to pay and be in a form negotiable by the Commission", joint accounts should be clearly designated as joint accounts and titled as follows:

"(NAME OF THE OPERATOR) AND OKLAHOMA CORPORATION COMMISSION OR OKLAHOMA CORPORATION COMMISSION."

If the joint account is so titled, the Commission will be able to withdraw the money by itself, but the operator will have to obtain the signature of an authorized agent of the Commission before it can withdraw the money. A joint account which is merely titled "Commission and (Name of Operator)" does not comply with the statute because it requires the Commission to obtain the signature of the operator in order to withdraw the money.

NOTE: No paperwork will be processed without a Form 1006B (Operator's Agreement To Plug Oil, Gas, And Service Wells Within The State Of Oklahoma) attached along with the copy of the Certificate of Deposit.

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FORM 1006D

AFFIDAVIT OF WELL PLUGGING COSTS

Last date revised: 2003

Form to be filled out by: Licensed Well Plugger

Form must be filed: Once, the original will be filed with the Corporation Commission

Special Qualification: The Corporation Commission cannot accept an Affidavit of Well Plugging Costs for less than \$2.00 per foot on the total depth of the well.

1. **OTC/OCC Operator No.:** This is the number that the Oklahoma Corporation Commission has or will assign to your company. This is a unique number that only your company will have.
2. **Name of the Well Plugger:** This space is provided for the well plugger to list their name, company name, or corporation name.
3. **Mailing Address:** If the Well Plugger receives their mail at a Post Office Box, the Well Plugger is required to list also a physical address.

4. **Physical Address:** If the Well Plugger receives their mail at a Post Office Box, the Well Plugger is require to list also a physical address.
5. **City, State and Zip Code:** This is the city, state and zip code as to where the mail is to be sent.
6. **Phone Number:** The phone number of where the well plugger can be contacted.
7. **Fax Number:** This is optional, but is highly encouraged of all well pluggers who might have access to a fax machine.
8. **Contact Person:** If you need or want the Corporation Commission mailings to be directed to a specific person.
9. **E-Mail Address:** This is optional, but is highly encouraged of all well pluggers who might have access to a computer and the Internet.
10. **Well Pluggers Permit No.:** Each licensed well plugger that is recognized by the Corporation Commission has been issued a permit number.
11. **Name of Operator:** This space is provided for the operator to list their name, company name, or corporation name.
12. **Mailing Address:** If the operator receives their mail at a Post Office Box, the operator is required to list also a physical address.
13. **Physical Address:** If the operator receives their mail at a Post Office Box, the operator is require to list also a physical address.
14. **City, State and Zip Code:** This is the city, state and zip code as to where the mail is to be sent.
15. **Phone Number:** The phone number of where the operator can be contacted.

16. **Fax Number:** This is optional, but is highly encouraged of all operators who might have access to a fax machine.
17. **Contact Person:** If you need or want the Corporation Commission mailings to be directed to a specific person.
18. **E-Mail Address:** This is optional, but is highly encouraged of all well pluggers who might have access to a computer and the Internet.
19. **Estimated Cost of Plugging the Well:** This is the amount of what the well plugger is estimating the cost would be to plug the well. The minimum acceptable amount that the Corporation Commission can accept is \$2.00 per foot on the total depth of the well. This cost does not include any salvage value as to recoverable casing, tubing or wellhead equipment. This estimate is for the plugging of the well, to empty and level all pits, removal of all trash and debris, cleaning and restoring the well site including but not limited to the tank site and revegetation for each well.
20. **Well Name and Number:** List the name of the existing well and number or the name and number of the proposed well.
21. **API Number:** The unique number that is assigned to each well at the time that it was drilled. For new proposed wells leave this space blank.
22. **Legal Description:** Provide the quarter section(s) and the Section, Township and Range of where the well is located.
23. **County:** List the county of where the surface facility of this well is to be located.
24. **Total Depth:** List the total depth of this well. If it a proposed well, list the total estimated depth of the well.
25. **Well Classification:** Please indicate what the status of this happens to be. Indicate whether the well is an Oil, Gas, Injection or Disposal Well. If it is a proposed well, enter what the anticipated classification of the well is to be.

26. **Date that the form is signed:** The date that the well plugger completes this form.
27. **Signature of Well Plugger Representative:** This is where the well plugger must sign the affidavit.
28. **Name and Title of Well Plugger:** The well pluggers name and title should be typed or printed on this line.
29. **Name of the Well Plugging Company:** The name of the individual, company or corporation that is completing this affidavit.
30. **Notary Information - County of:** The notary needs to indicate what county they are located in.
31. **Notary Information - Date signed:** The notary needs to indicate here what day, month and year that this form was signed in their presence.
32. **Notary Information - Commission Expiration:** The notary needs to indicate here what month and year that their commission expires.
33. **Commission Number:** The notary needs to provide their Notary Commission number.
34. **Notary Information - Notary Signature:** The notary needs to sign this form.
35. **Notary Information - Notary Seal:** The notary needs to affix their seal.

OKLAHOMA CORPORATION COMMISSION

Oil and Gas Conservation Division
PO Box 52000
Oklahoma City, OK 73152-2000

Affidavit of Well Plugging Costs
(OAC 165:10-1-10(3); 52 O.S. 318.1)
(Please Print or Type in Black Ink Only)

NAME OF WELL PLUGGER:			
MAILING ADDRESS:			
PHYSICAL ADDRESS: (If different from the Mailing Address)			
CITY, STATE and ZIP CODE:			
PHONE NUMBER:		FAX NUMBER:	
CONTACT PERSON:		E-MAIL ADDRESS:	

I, being the above named well plugger being of lawful age and duly sworn under oath, do hereby and state the following, to-wit:

That I am or legally represent a duly Oklahoma Licensed Pipe Pulling and Well Plugging Company under Permit No. _____, issued by the Oil and Gas Conservation Division of the Oklahoma Corporation Commission pursuant to OAC: 165:10-11-1.

That I have reviewed the information presented to me by

NAME OF OPERATOR:			
MAILING ADDRESS:			
PHYSICAL ADDRESS: (If different from the Mailing Address)			
CITY, STATE and ZIP CODE:			
PHONE NUMBER:		FAX NUMBER:	
CONTACT PERSON:		E-MAIL ADDRESS:	

as operator of a proposed well to be drilled and/or of an existing well that is currently producing, and/or being injected into and that it is my professional opinion and estimate that it would cost \$_____ in U.S. dollars to properly plug and abandon said well that is more specifically described below. That said estimated plugging cost does not include any salvage value as to recoverable casing, tubing or wellhead equipment. that said estimated plugging cost includes plugging the well, empty and level all pits, removal of all trash and debris, cleaning and restoring the well site including the tank site and revegetation for each well in accordance with all Oklahoma Corporation Commission Rules inclusively.

No cost estimate will be approved for less than two U.S. dollars per foot of the total well depth.

That the following information pertains to the proposed well to be drilled and/or the existing well that is currently producing or being used for injection purposes:

WELL NAME & NUMBER:								API NUMBER:					
LEGAL LOCATION:		1/4			1/4		1/4	SEC:		TWP:		RGE:	
COUNTY:								TOTAL DEPTH OF WELL:					
TYPE WELL:	OF	OIL:		GAS:		INJECTION:		DISPOSAL:					

That in the event the above well is a proposed well to be drilled, this Affidavit must be accompanied by an OCC Form 1000, Intent - to-Drill, or;



Before



After

PROCEDURES FOR COMPANIES GOING OUT OF BUSINESS

1. **Written Notification**: All operators are required to notify the Corporation Commission at least six (6) months prior to cancellation of their surety.
2. a. **Bonds**: If your company has a plugging bond through an insurance bonding company, you should do the following:
 - i. Contact your contact bonding company and let them know of your decision not to renew your bond.
 - ii. Have them send a cancellation notice to the Corporation Commission.
 - iii. Once this notice is received, the Corporation Commission shall acknowledge the proposed cancellation. The Commission will notify both the operator and the bonding company.
 - iv. If everything is in order, a release statement will be issued to both the operator and the bonding company along with the original bond returned to the bonding company.

- v. If something is found that requires operator attention, the Commission shall issue a revocation of proposed cancellation statement along with a notice letting the operator know whom to contact to correct the situation. Under this plan, the surety will not be released until the deficiencies are corrected.

b. **Financial Statement**: If the operator has provided surety in the form of a financial statement, the operator should:

- i. Write to the Corporation Commission notifying us that you are no longer an operator.
- ii. The Corporation Commission shall acknowledge receipt of the cancellation and shall issue an acknowledgment of proposed cancellation.
- iii. If everything is in order, a release statement will issued to the operator for their file.
- iv. If something is found that requires operator attention, the Commission shall issue a revocation of proposed cancellation statement along with a notice letting the operator know whom to contact to correct the situation. Under this plan, the surety will not be released until the deficiencies are corrected.

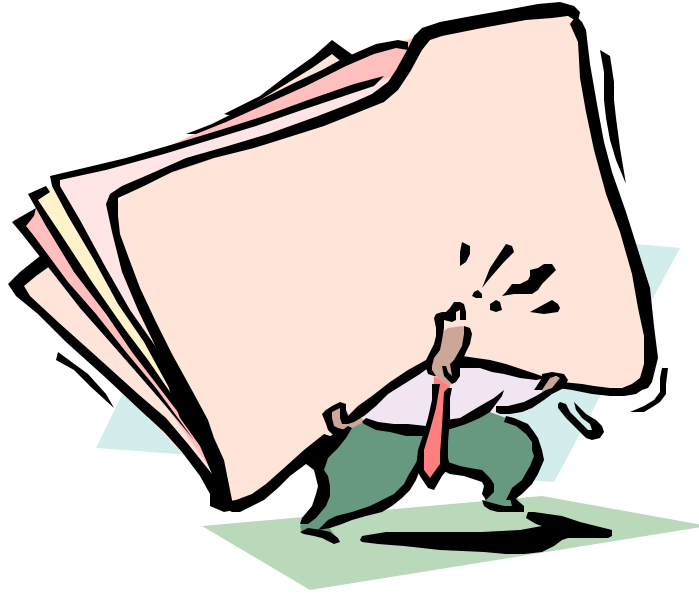
c. **Letter of Credit**: If your company has a letter of credit through a bank or other financial institution, you should do the following:

- i. Contact your contact your bank or other financial institution and let them know of your decision not to renew your bond.
- ii. Have them send a cancellation notice to the Corporation Commission.
- iii. Once this notice is received, the Corporation Commission shall acknowledge the proposed cancellation. The Commission will notify both the operator and the bank or other financial institution.
- iv. If everything is in order, a release statement will be issued to both the operator and the bank or other financial institution along with the original bond returned to the bank or other financial institution.
- v. If something is found that requires operator attention, the Commission shall issue a revocation of proposed cancellation statement along with a

notice letting the operator know whom to contact to correct the situation. Under this plan, the surety will not be released until the deficiencies are corrected.

- d. **Cashier's Checks and Certificates of Deposit**: If your company has either a cashier's check or a certificate of deposit, you should do the following:
- i. Contact the Corporation Commission about your decision not to renew your bond.
 - ii. Once this notice is received, the Corporation Commission shall acknowledge the proposed cancellation. The Commission will notify the operator.
 - iii. If everything is in order, a release statement will be issued to both the operator and the bank or other financial institution along with the original certificate of deposit. In the case of a cashier's check the Corporation Commission shall issue a state warrant for the amount on deposit with the State Treasury.
 - iv. If something is found that requires operator attention, the Commission shall issue a revocation of proposed cancellation statement along with a notice letting the operator know whom to contact to correct the situation. Under this plan, the surety will not be released until the deficiencies are corrected.

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TELEPHONE NUMBERS

Statistics Section.....	405-521-2273
Surety Section.....	405-521-2246
Or.....	405-522-6196
Statistics/Surety Fax Machine Number.....	405-522-0493
Well Records Section.....	405-521-2271
Or.....	405-521-2275
Well Records Fax Machine Number.....	405-522-0854
District Office I (Northeast).....	918-367-3396
District Office II (Northwest).....	405-375-5570
District Office III (Southwest).....	580-255-0103
District Office IV (Southeast).....	580-332-3441

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Do You Need To Apply For An FEIN? Apply Online Or Over The Phone!

You can apply for and receive a Federal Employers Identification Number by applying online at www.irs.org or by telephone. Follow the steps below and have a number in a just a few minutes.

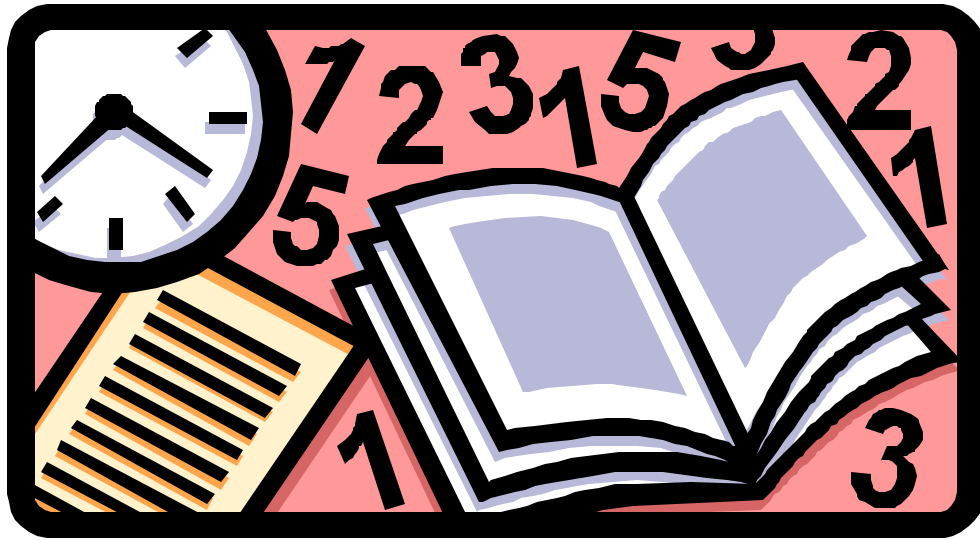
Only a duly authorized individual such as the following should call to apply.

- **Individual Owner**
- **Corporation or Non-Profit Organization**
(President, Vice President, or Other Principal Officer)
- **Trust or Estate**
(Fiduciary or Executor)

Follow these simple steps to receive your FEIN fast:

1. **Apply Online** by visiting the IRS site at www.irs.org, or
2. **Call and apply by Phone.** Call the IRS at (800) 829-4933.
3. The IRS will only issue an EIN over the phone or online to those duly qualified as listed above.
4. Write the number you are issued and keep it in a safe place.
5. If you would prefer for your FEIN by mail, visit either the Oklahoma Tax Commission's website at www.okstate.state.ok.us or the IRS's web site at www.irs.org and download the Form SS-4. Complete, sign and date the form and mail to the address shown on the form.

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BUSINESS DEFINITIONS

Sole Proprietorship - a business, usually unincorporated, owned and controlled exclusively by one person. Such a business is commonly designated a "Sole Proprietorship". There is no statutory provision to place a sole proprietorship on file with the Oklahoma Secretary of State.

Corporation - a separate and distinct legal entity that acts for, or on the behalf of a group of people. A corporation is created by or under the authority of the laws of a state or nation. A corporation may be formed for profit or not for profit. Corporations are required to file with the Oklahoma Secretary of State.

Limited Partnership - is a type of partnership comprised of one or more general partners who manage the business and who are personally liable for partnership debts, and one or more limited partners who contribute capital and share in profits but who take no part in running the business and incur no liability with respect to partnership obligations beyond contribution.

General Partnership - a partnership in which the parties carry on all their trade and business for the joint benefit and profit of all the parties concerned, whether the contributions thereto be equal or unequal. There is no statutory provision to place a general partnership on file with the Oklahoma Secretary of State, however, there is a provision to file a Certificate of Fictitious Name.

Fictitious Name - every partnership transacting business in Oklahoma under a fictitious name not showing the names of the persons interested as partners in the business, must file with the Oklahoma Secretary of State a Certificate of Fictitious Name.

Limited Liability Company - a business formed by one or more members. The owners are the members of the company and manage the company unless otherwise stated by the Articles of Organization. A manager means a person or persons designated by the members to manage the limited liability company as provided in the Articles of Organization or an Operating Agreement.

Trade Name Report - any corporation or other business entity doing business in the State of Oklahoma under any name other than its legal name shall file a report with the Oklahoma Secretary of State setting forth the trade name under which the business is carried on. The trade name report is also commonly referred to as a "dba".

The Oklahoma Secretary of State strongly suggests that individuals seek advice from their personal attorney when determining the type of business entity that will be formed, as this office does not maintain a legal staff.

The **Business Filing Department** of the Oklahoma Secretary of State receives and processes corporation, limited partnership, Limited Liability Company, limited liability partnership, certificate of partnership fictitious name for general partnership and trade name registrations.

These include new registrations, amendments, mergers, dissolutions and withdrawals for both domestic and foreign. A business name can be researched for availability prior to registration by telephone, mail or in person.

Forms are provided for the various types of filings. These can be obtained by telephone, mail, in person, or online by following the download link. The telephone number is (405) 521-3911.

Documents can be presented for processing either in person or by mail. Documents brought in person for processing must be presented between the

hours of 8:00 AM and 4:00 PM. Documents submitted by mail are generally processed within ten to fourteen working days of receipt.

**Business Filing Department
2300 N Lincoln Blvd Room 101
Oklahoma City, OK 73105-4897**

**Telephone (405) 522-4560
Fax (405) 521-3771**

