

S U R E T Y P E R F O R M A N C E B O N D

U.S. Environmental Protection Agency
Underground Injection Control
Financial Responsibility Requirement

BOND COVERS THE PLUGGING OF INJECTION WELLS

Date bond executed: _____

Effective date: _____

Principal: _____
(Legal name of owner or operator)

(Business address of owner or operator)

Type of organization: _____
(Individual, joint venture,
partnership, or corporation)

State of incorporation: _____

Surety(ies): _____
(Name)

(Business Address)

EPA identification number, name, address, and plugging and abandonment amount(s) for each injection well guaranteed by this bond. (Indicate plugging and abandonment amounts for each well. Attach separate list if necessary.)

<u>Injection Well Information</u>	<u>Plugging & Abandonment Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Total penal sum of bond: \$ _____

Surety's bond number: _____

KNOW ALL PERSONS BY THESE PRESENTS, That we, the Principal and Surety(ies) hereto are firmly bound to the U.S. Environmental Protection Agency (hereinafter called EPA), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns "jointly and severally," provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum jointly and severally only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS said Principal is required, under the Underground Injection Control Regulations, as amended, to have a permit or comply with provisions to operate under rule for each injection well identified above, and

WHEREAS said Principal is required to provide financial assurance for plugging and abandonment as a condition of the permit or approval to operate under rule, and

WHEREAS said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;

NOW, THEREFORE, the conditions of this obligation are such that if the Principal shall faithfully perform plugging and abandonment, whenever required to do so, of each injection well for which this bond guarantees plugging and abandonment, in accordance with the plugging and abandonment plan and other requirements of the permit or provisions for operating under rule and other requirements of the permit or provisions for operating under rule as may be amended, pursuant to all applicable laws, statutes, rules and regulations, as such laws, statutes, rules, and regulations may be amended,

Or, if the Principal shall provide alternate financial assurance as specified in Subpart F of 40 CFR 144, and obtain the EPA Regional Administrator=s written approval of such assurance, within 90 days after the date of notice of cancellation is received by both the Principal and the EPA Regional Administrator(s) from the Surety(ies), then this obligation shall be null and void. Otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon notification by an EPA Regional Administrator that the Principal has been found in violation of the plugging and abandonment requirements of 40 CFR 144, for an injection well which this bond guarantees performances of plugging and abandonment, the Surety(ies) shall either perform plugging and abandonment in accordance with the plugging and abandonment plan and other permit requirements or provisions for operating under rule and other requirements or place the amount for plugging and abandonment into standby trust fund as directed by the EPA Regional Administrator.

Upon notification by an EPA Regional Administrator that the Principal has failed to provide alternate financial assurance as specified in Subpart F of 40 CFR 144, and obtain written approval of such assurance from the EPA Regional Administrator(s) during the 90 days following receipt by both the Principal and the EPA Regional Administrator(s) of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the injection well(s) into the standby trust fund as directed by the EPA Regional Administrator.

The Surety(ies) hereby waive(s) notification of amendments to plugging and abandonment plans, permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) here under exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice by certified mail to the owner or operator and to the EPA Regional Administrator(s) for the Region(s) in which the injection well(s) is (are) located, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the EPA Regional Administrator(s), as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies); provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the EPA Regional Administrator(s) of the EPA Region(s) in which the bonded injection well(s) is (are) located.

(The following paragraph is an optional rider that may be included but is not required.)

Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new plugging and abandonment amount, provided that the penal sum does not increase by more than 20% in any one year, and no decrease in the penal sum takes place without the written permission of the EPA Regional Administrator(s).

In WITNESS WHEREOF, The Principal and Surety(ies) have executed this Performance Bond and have affixed their seals on the date set forth above.

The persons whose signature appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording on this surety bond is identical to the wording specified in 40 CFR 144.70(c) as such regulation was constituted on the date this bond was executed.

PRINCIPAL:

CORPORATE SURETY(IES):

(Name)

(Name)

(Address)

(Address)

(Signature(s))

(Signature(s))

(Name(s))

(Name(s))

(Title(s))

(Title(s))

Corporate Seal

Corporate Seal

State of Incorporation

State of Incorporation

\$ _____
Bond Premium

\$ _____
Liability Limit

(For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.)