

WELL DRILLING, OPERATION, AND PRODUCTION
BLANKET LETTER OF CREDIT FORM

The following form shall be used for all \$25,000.00 blanket letters of credit as permitted under Section 13-1500 of the Norman Municipal Code, 2015:

DATE _____

TO: The City of Norman
201 West Gray, Building A
Norman OK 73069
ATTN: Oil & Gas Inspector

RE: Irrevocable Letter of Credit No. _____

To Whom It May Concern:

We, the undersigned, **who are authorized to do business in the State of Oklahoma**, hereby establish and issue our irrevocable Letter of Credit in the amount of Twenty-Five Thousand Dollars (\$25,000.00) to The City of Norman as beneficiary for the account of _____ to secure the performance of the following obligations in connection with the drilling, operation, production, abandonment and /or plugging of all wells owned and/or operated by the Principal undersigned:

1. That Principal shall comply with all of the terms of Chapter 13 of the Norman Municipal Code, 2015, in the operation of said wells;
2. That Principal shall promptly pay all fines, penalties and other assessments imposed upon Principal by reason of the breach of any of the terms, provisions and conditions of Chapter 13 of the Norman Municipal Code, 2015;
3. That Principal shall promptly restore the streets, sidewalks and other public property of the City which may be disturbed or damaged in said wells operations to their former condition;
4. That Principal shall promptly clear all premises of all litter, trash, waste and other substances, and must, after abandonment, grade, level and restore said property to the same surface condition, as far as possible as existed prior to commencing operations;
5. That Principal shall indemnify and hold harmless the City from any and all liability attributable to granting the permits for said wells;
6. That Principal shall promptly pay all sums with respect to deductibles on covered losses under insurance policies for said wells required by Chapter 13 of the Norman Municipal Code, 2015; and
7. That Principal shall comply with all of the terms of Chapter 13 of the Norman Municipal Code, 2015, concerning the abandonment and plugging of said wells.

In the event that Principal fails to satisfactorily perform any of the above obligations, as determined by the Oil & Gas Inspector of The City of Norman, than said City may by documentary draft or documentary demand draw funds as necessary to fund the performance of any of the above specified obligations up to the limit as stated in this letter.

The documentary draft or documentary demand for payment presented to us for payment should be clearly marked:

Drawn under authorization of The City of Norman, Oklahoma, irrevocable Letter of Credit No. _____

Dated _____ 20 _____.

This irrevocable Letter of credit is for a term of one (1) year from the date hereof (see above for date of instrument); provided, however, that upon expiration of said one (1) year term this irrevocable Letter of Credit shall be deemed to be automatically extended indefinitely for like terms of one (1) year without any further action by any of the parties hereto, unless and until the thirty (30) days written notice of cancellation is given to the Oil & Gas Inspector of The City of Norman as provided for by the instrument.

Upon receipt by the beneficiary of such notice that _____(Name of Bank) elects not to renew this letter of credit, the beneficiary may draw on us at sight for up to the amount and prior to the expiration date of this Letter of Credit, provided that such draft is accompanied by a statement signed by the beneficiary to the effect that no satisfactory replacement bond has been provided by the applicant prior to the date of this claim.

The signatories hereby acknowledge and agree that this agreement, and any enforcement of the same, to the extent it is not governed by any preemptive federal law applicable to lenders, and in particular, to the Surety hereunder, is and will be governed by the laws of the State of Oklahoma.

Dated this _____ day of _____, 20 _____.

BANK: BY: _____
President/Vice President

ATTEST: _____
Secretary

(Seal)

OWNER /OPERATOR BY: _____
Principal

ATTEST: _____
Secretary

(Seal)

STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

Before me, _____, a Notary Public in and for said State, on the day, _____, 20 _____, personally appeared to me known to be the identical person who executed the above and foregoing acceptance and acknowledge to me that the above executed the same as free and voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and official seal the day and year above written.

(seal) _____
Notary Public

Commission Number and Commission Expiration Date

RECEIPT ACKNOWLEDGED BY _____ Oil & Gas Inspector
of the City of Norman, this _____ day of _____ 20 _____.

Approved as to form this _____ day of _____, 20_____.

Office of the City Attorney