



Bond #:  
 \_\_\_\_\_

**OIL AND GAS BOND COVER SHEET**

An operator who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of a well, or who acquires a well, shall file with the supervisor an indemnity bond or deposit in lieu of bond. Public Resources Code sections (PRC) 3204, 3205, 3205.1, 3205.2, and 3205.5. The bond or deposit in lieu of bond shall be filed with the supervisor at the time of the filing of the notice of intention to perform work on the well or at the time of purchase, transfer, assignment, conveyance, exchange, or other disposition of the well. PRC sections 3202, 3204, and 3205.1.

When posting a bond or deposit in lieu of bond, please return this Bond Cover Sheet, the applicable form, and any additional information described in the instructions section.

Form of bond or deposit in lieu of bond:

- Surety Bond     Bond Rider     Certificate of Deposit     Share Account  
 Note             Savings Account     Share Certificate     Investment Certificate

**Purpose**

**Covered wells and facilities  
 (Blanket / Individual)**

___ Individual Well less than 10,000 feet	Name of Well(s) or Facility/Facilities
___ Individual Well 10,000 or more feet	_____
___ Commercial Waste Disposal Well	_____
___ Blanket - 20 to 50 Wells	_____
___ Blanket - 51 to 500 Wells	Section, TWP, Range, Meridian
___ Blanket - 501 to 10,000 Wells	_____
___ Blanket -Over 10,000 Wells	_____
___ Offshore Blanket Well 1 or more	_____
___ Bond Rider	_____
___ Additional financial security	County: _____

Applicable Amounts

1. Less than 10,000 feet total depth ----- \$25,000 (INDIVIDUAL)
2. At least 10,000 feet or greater total depth ----- \$40,000 (INDIVIDUAL)
3. 20 to 50 onshore wells ----- \$200,000 (BLANKET)
4. 51 to 500 onshore wells ----- \$400,000 (BLANKET)
5. 501 to 10,000 onshore wells ----- \$2,000,000 (BLANKET)
6. 10,001 or more onshore wells ----- \$3,000,000 (BLANKET)
7. 1 or more offshore wells ----- \$1,000,000 (BLANKET)
8. Transfers - A bond for each well as required under PRC sections 3204, 3205, or 3205.1.
9. Additional securities ----- Varies



Bond No. \_\_\_\_\_

Department of Conservation Geologic Energy Management Division Oil and Gas Well Indemnity Bond

Public Resources Code §§ 3204, 3205, 3205.1, 3205.2, 3205.3, 3205.5, and 3205.8

Bond No. \_\_\_\_\_

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned [Name of Individual] d/b/a [Name of Company (Principal)] [Address for service of notices, papers and other documents], as Principal, and [Name of Surety Company] [Address for service of notices, papers, and other documents], NAIC # [NAIC #], organized and existing under the laws of the State of [State] and licensed to do business and admitted to transact surety insurance in the State of California, as Surety, are held and firmly bound unto the Department of Conservation, Geologic Energy Management Division in the penal sum of [penal sum] DOLLARS (\$[penal sum]), for the payment of which sum we hereby jointly and severally bind ourselves, our successors and assigns, heirs, executors, and administrators. In the event of forfeiture by the Principal, the Obligee agrees that, in the aggregate, it shall not demand in excess of the penal sum of this bond.

THE CONDITION OF THE ABOVE OBLIGATIONS is that if above bound Principal, shall well and truly comply with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code and shall obey all lawful orders of the State Oil and Gas Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in that division, and shall pay all charges, costs, and expenses incurred by the supervisor or the district deputy or deputies in respect of the well or wells or the property or properties of the principal, or assessed against the well or wells or the property or properties of the principal, in pursuance of the provisions of that division, then this obligation shall be void; otherwise, it shall remain in full force and effect. Now, if the Principal completes all obligations, the bond may only be terminated and cancelled, and the surety relieved of all obligations thereunder, in accordance with the provisions of Section 3207 of the Public Resources Code.

The amount of Surety's liability may only be reduced by the Geologic Energy Management Division. If the penal sum of this bond requires adjustment, it shall be by use of an Increase/Decrease Rider.

The Surety will give notice of cancellation of the bond at least 30 days prior to such cancellation and prompt notice to the Principal and the Geologic Energy Management Division of any of the following: 1) any notice received or action filed alleging the insolvency or bankruptcy of the Surety, 2) any notice received alleging any violations or regulatory requirements which could result in suspension or revocation of the Surety's license to do business, 3) the Principal has failed to renew or pay associated premium causing the bond to lapse, 4) a new surety is substituted for the Surety, 5) a new bond is given to the Geologic Energy Management Division in place of this bond, 6) any riders or amendments to the bond.



In the event the Surety becomes unable to fulfill its obligations under the bond for any reason, notice shall be given immediately to the Principal and the Geologic Energy Management Division. Upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage in violation of the Public Resources Code.

IN WITNESS THEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Company – [Principal])

By: \_\_\_\_\_

Typed or Printed Name

SEAL OF PRINCIPAL

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

I declare under penalty of perjury, under the laws of the State of California, that I have executed the foregoing bond under an unrevoked Power of Attorney.

\_\_\_\_\_  
(Surety Company)

SEAL OF SURETY

By: \_\_\_\_\_

Typed or Printed Name

Title: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Attorney-in-Fact for Surety)

Typed or Printed Name

Title: \_\_\_\_\_

Executed in \_\_\_\_\_ [City and State] on \_\_\_\_\_ [Date] under the laws of the State of California.

Where one signs by virtue of a Power of Attorney for a Surety Company, such fully executed Power of Attorney must be filed with this bond.

Please identify the agent acting on behalf of the surety who will accept notices, papers, and other documents, if applicable.

Agent: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_



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**COMPLETED NOTARIZED ACKNOWLEDGMENT OF PERMITEE [PRINCIPAL]**

**[Attach loose notarial certificate]**

**COMPLETED NOTARIZED ACKNOWLEDGMENT OF SURETY**

**[Attach loose notarial certificate]**



Department of Conservation Geologic Energy Management Division Oil and Gas Well Indemnity Bond General Purpose Rider Public Resources Code § 3207

To be attached to and form a part of Surety Company Bond number... written by... as SURETY, on behalf of... as Principal, in the penal sum of... DOLLARS (\$...), in favor of the Department of Conservation, Geologic Energy Management Division and executed on [Date].

Now, therefore, the purpose of this rider is:

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

IN WITNESS THEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

PRINCIPAL

Date:

\_\_\_\_\_

Company

By: \_\_\_\_\_

Corporate Officer/Partners/Sole Proprietor

\_\_\_\_\_

Typed or Printed Name

Title: \_\_\_\_\_

SURETY

I declare, under penalty of perjury, under the laws of the State of California, that I have executed the foregoing rider under an unrevoked Power of Attorney.

\_\_\_\_\_

(Surety Company)

By: \_\_\_\_\_

(Signature of Attorney-in-Fact for Surety)

\_\_\_\_\_

Typed or Printed Name

Title: \_\_\_\_\_

Executed in [City and State] on [Date] under the laws of the State of California.

Where one signs by virtue of a Power of Attorney for a Surety Company, such fully executed Power of Attorney must be filed with this bond.

Please identify the agent acting on behalf of the surety who will accept notices, papers, and other documents, if applicable.

Agent: \_\_\_\_\_ Title: \_\_\_\_\_



Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

**COMPLETED NOTARIZED ACKNOWLEDGMENT OF PERMITEE [PRINCIPAL]**

**[Attach loose notarial certificate]**

**COMPLETED NOTARIZED ACKNOWLEDGMENT OF SURETY**

**[Attach loose notarial certificate]**



Bond No. \_\_\_\_\_

Department of Conservation Geologic Energy Management Division Oil and Gas Well Indemnity Bond General Purpose Rider Public Resources Code § 3207

To be attached to and form a part of Surety Company Bond number \_\_\_\_\_, written by \_\_\_\_\_ as SURETY, on behalf of \_\_\_\_\_ as Principal, in the penal sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), in favor of the Department of Conservation, Geologic Energy Management Division and executed on \_\_\_\_\_ [Date].

Now, therefore, the purpose of this rider is: \_\_\_\_\_

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

IN WITNESS THEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

PRINCIPAL

Date: \_\_\_\_\_

\_\_\_\_\_

Company

By: \_\_\_\_\_

Corporate Officer/Partners/Sole Proprietor

\_\_\_\_\_

Typed or Printed Name

Title: \_\_\_\_\_

SURETY

I declare, under penalty of perjury, under the laws of the State of California, that I have executed the foregoing rider under an unrevoked Power of Attorney.

\_\_\_\_\_

(Surety Company)

By: \_\_\_\_\_

(Signature of Attorney-in-Fact for Surety)

\_\_\_\_\_

Typed or Printed Name

Title: \_\_\_\_\_

Executed in \_\_\_\_\_ [City and State] on \_\_\_\_\_ [Date] under the laws of the State of California.

Where one signs by virtue of a Power of Attorney for a Surety Company, such fully executed Power of Attorney must be filed with this bond.

Please identify the agent acting on behalf of the surety who will accept notices, papers, and other documents, if applicable.



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Agent: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

**COMPLETED NOTARIZED ACKNOWLEDGMENT OF PERMITEE [PRINCIPAL]**

**[Attach loose notarial certificate]**

**COMPLETED NOTARIZED ACKNOWLEDGMENT OF SURETY**

**[Attach loose notarial certificate]**

Bond No. \_\_\_\_\_

**Department of Conservation**

**Geologic Energy Management Division**

**Oil and Gas Well Deposit in Lieu of Bond – Savings Account, Investment Certificate, or Share Account**

**Public Resources Code §§ 3204, 3205, 3205.1, 3205.2, 3205.3, 3205.5, and 3205.8**

Operator Code: \_\_\_\_\_

Account No.: \_\_\_\_\_

Type:  Savings Account  Investment Certificate  Share Account

Issued Date: \_\_\_\_\_

All rights, title, and interest in the amount of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) in the above-described savings account, investment certificate, or share account is hereby assigned from \_\_\_\_\_ [Operator] to the Department of Conservation, Geologic Energy Management Division and shall only be released or encashed through the following procedures:

1. \_\_\_\_\_ [Financial Institution], a federally insured depository institution authorized to do business in the State of California and insured by the Federal Deposit Insurance Corporation, using federally insured accounts, issues this savings account, investment certificate, or share account in the amount of \$ \_\_\_\_\_, which shall automatically renew each year, unless released or encashed according to the terms and conditions set forth below.
2. This savings account, investment certificate, or share account is for the benefit of payees the Geologic Energy Management Division and the Department of Conservation. \_\_\_\_\_ [Operator] hereby consents to the provision by \_\_\_\_\_ [Financial Institution] to the Geologic Energy Management Division and the Department of Conservation of such information concerning the savings account, investment certificate, or share account as the Geologic Energy Management Division and the Department of Conservation may request in writing information regarding the status of the savings account, investment certificate, or share account.
3. \_\_\_\_\_ [Financial Institution] shall be authorized to encash the savings account, investment certificate, or share account at any time at the request of either the Geologic Energy Management Division and the Department of Conservation, and to deliver such funds to the Geologic Energy Management Division and the Department of Conservation, but only upon written consent for the encashment and certification from the Geologic Energy Management Division and the Department of Conservation that \_\_\_\_\_ [Operator] has well and truly complied with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code, obeyed all lawful orders of the State Oil and Gas Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in that division, and paid all charges, costs, and expenses incurred by the supervisor or the district deputy or deputies in respect of the well or wells or the property or properties of the principal, or assessed against the well or wells or the property or properties of the principal.



4. \_\_\_\_\_ [Financial institution] shall be authorized to encash the savings account, investment certificate, or share account at the instance and request of \_\_\_\_\_ [Operator], and to deliver such funds to \_\_\_\_\_ [Operator] only upon receipt of a written release from the Geologic Energy Management Division and the Department of Conservation relinquishing their claim and interest to this savings account, investment certificate, or share account.

5. Interest earned under this savings account, investment certificate, or share account is not subject to the terms and conditions above. Any interest paid to the \_\_\_\_\_ [Operator] in accordance with the financial institution's practices may not reduce the initial principal amount of this savings account, investment certificate, or share account. Where an Operator elects to have earned interest subject to the terms and conditions above, they shall do so by indicating here \_\_\_\_\_ [Operator Initials] at the time this savings account, investment certificate, or share account is issued.

The individuals signing below certify they agree to the terms mentioned above and that the signatories are authorized to sign this agreement on behalf of their respective entity.

Name of Operator: \_\_\_\_\_

Operator Code: \_\_\_\_\_

Title: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Department of Conservation, Geologic Energy Management Division: \_\_\_\_\_

Title: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Name of Financial Institution: \_\_\_\_\_ [SEAL]

Title: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_



Bond No. \_\_\_\_\_

**Department of Conservation  
Geologic Energy Management Division**

**Oil and Gas Well Deposit in Lieu of Bond – Certificate of Deposit**

**Public Resources Code §§ 3204, 3205, 3205.1, 3205.2, 3205.3, 3205.5 and 3205.8**

Operator Code: \_\_\_\_\_

Account No.: \_\_\_\_\_

Issued Date. \_\_\_\_\_

This certificate of deposit (CD) is issued on behalf of \_\_\_\_\_ [Operator] and shall only be released or encashed through the following procedures:

1. \_\_\_\_\_ [Financial Institution], a federally insured depository institution authorized to do business in the State of California and insured by the Federal Deposit Insurance Corporation, using federally insured accounts, issues this CD in the amount of \$ \_\_\_\_\_, which shall automatically renew each year, unless released or encashed according to the terms and conditions set forth below.
2. This CD is for the benefit of payees the Geologic Energy Management Division and the Department of Conservation. \_\_\_\_\_ [Operator] hereby consents to the provision by \_\_\_\_\_ [Financial Institution] to the Geologic Energy Management Division and the Department of Conservation of such information concerning the CD as the Geologic Energy Management Division and the Department of Conservation may request in writing information regarding the status of the CD, including but not limited to the amount, the account number, the maturity rate, and the rate of interest.
3. \_\_\_\_\_ [Financial Institution] shall be authorized to encash the CD at any time at the request of either the Geologic Energy Management Division and the Department of Conservation, and to deliver such funds to the Geologic Energy Management Division and the Department of Conservation but only upon written consent for the encashment and certification from the Geologic Energy Management Division and the Department of Conservation that \_\_\_\_\_ [Operator] has well and truly complied with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code, obeyed all lawful orders of the State Oil and Gas Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in that division, and paid all charges, costs, and expenses incurred by the supervisor or the district deputy or deputies in respect of the well or wells or the property or properties of the principal, or assessed against the well or wells or the property or properties of the principal.
4. \_\_\_\_\_ [Financial institution] shall be authorized to encash the CD at the instance and request of \_\_\_\_\_ [Operator], and to deliver such funds to \_\_\_\_\_ [Operator] only upon receipt of a written release from the Geologic Energy Management Division and the Department of Conservation relinquishing their claim and interest to this CD.



5. Interest earned under this CD is not subject to the terms and conditions above. Any interest paid to the [Operator] in accordance with the financial institution's practices may not reduce the initial principal amount of this CD. Where an Operator elects to have earned interest subject to the terms and conditions above, they shall do so by indicating here [Operator Initials] at the time this CD is issued.

The individuals signing below certify they agree to the terms mentioned above and that the signatories are authorized to sign this agreement on behalf of their respective entity.

Name of Operator: \_\_\_\_\_

Operator Code: \_\_\_\_\_

Title: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Department of Conservation, Geologic Energy Management Division: \_\_\_\_\_

Title: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Name of Financial Institution: \_\_\_\_\_ [SEAL]

Title: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_



Bond No. \_\_\_\_\_

Department of Conservation Geologic Energy Management Division Oil and Gas Well Note in Lieu of Bond

Public Resources Code §§ 3204, 3205, 3205.1, 3205.2, 3205.3, 3205.5, and 3205.8

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned [Name of Individual] d/b/a [Name of Company (Principal)] [Address for service of notices, papers and other documents], as Principal, and [Name of Bank holding the Note] [Address for service of notices, papers and other documents] organized and existing under the laws of the State of \_\_\_\_\_ and licensed to do business in the State of California, are held and firmly bound unto the Department of Conservation, Geologic Energy Management Division in the penal sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_), for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns, heirs, executors, and administrators. In the event of forfeiture by the Principal, the Obligee agrees that, in the aggregate, it shall not demand in excess of the penal sum of this Note.

THE CONDITION OF THE ABOVE OBLIGATIONS is that if above bounden Principal, shall well and truly comply with all the provisions of Division 3 (commencing with Section 3000) of the Public Resources Code and shall obey all lawful orders of the State Oil and Gas Supervisor or the district deputy or deputies, subject to subsequent appeal as provided in that division, and shall pay all charges, costs, and expenses incurred by the supervisor or the district deputy or deputies in respect of the well or wells or the property or properties of the principal, or assessed against the well or wells or the property or properties of the principal, in pursuance of the provisions of that division, then this obligation shall be void; otherwise, it shall remain in full force and effect. Now, if the Principal completes all obligations, the Note may only be released and the Principal relieved of all obligations thereunder, in accordance with the provisions of Section 3207 of the Public Resources Code.

The amount of Principal's liability may only be reduced by the Department of Conservation, Geologic Energy Management Division.

IN WITNESS THEREOF, the Principal and Bank have hereunto set their signatures and seals as of the dates set forth below.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Company – [Principal])

By: \_\_\_\_\_  
Typed or Printed Name

SEAL OF PRINCIPAL

Signature: \_\_\_\_\_  
Title: \_\_\_\_\_



I declare under penalty of perjury, under the laws of the State of California, that I have executed the foregoing under an unrevoked Power of Attorney.

SEAL OF BANK

\_\_\_\_\_  
(Bank)

By: \_\_\_\_\_

(Signature of Attorney-in-Fact for Bank)

\_\_\_\_\_  
Typed or Printed Name

Title: \_\_\_\_\_

Executed in \_\_\_\_\_ [City and State] on \_\_\_\_\_  
\_\_\_\_\_ [Date] under the laws of the State of California.

Where one signs by virtue of a Power of Attorney for a Bank, such fully executed Power of Attorney must be filed with this bond.

Please identify the agent acting on behalf of the Bank who will accept notices, papers, and other documents, if applicable.

Agent: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

**COMPLETED NOTARIZED ACKNOWLEDGMENT OF PERMITTEE [PRINCIPAL]**

**[Attach loose notarial certificate]**

**COMPLETED NOTARIZED ACKNOWLEDGMENT OF BANK**

**[Attach loose notarial certificate]**