

IRREVOCABLE LETTER OF CREDIT NO. \_\_\_\_\_

(Multiple Wells)

TO: LOUISIANA OFFICE OF CONSERVATION  
P. O. BOX 94275  
BATON ROUGE, LOUISIANA 70804-9275  
ATTN: \_\_\_\_\_

RE: FINANCIAL SECURITY

Various Wells and facilities further described on Exhibit "A" attached hereto

\_\_\_\_\_ (location, section township and range)

\_\_\_\_\_ (Parish and state)

Dear Sirs:

We hereby establish our irrevocable Letter of Credit No. \_\_\_\_\_ in your favor, at the request and for the account of \_\_\_\_\_ (operator name), as established by Office Of Conservation up to the aggregate amount of \_\_\_\_\_ (dollar amount) available upon presentation by the Louisiana Commissioner of Conservation, of:

1. Your sight draft, bearing reference to this letter of credit No. \_\_\_\_\_, and
2. Your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued in accordance with LSA-R.S. 30:1 et seq."

This letter of credit is effective as of \_\_\_\_\_ (date) and shall expire on \_\_\_\_\_ (date), but such expiration date shall be automatically extended for a period of at least one(1) year on \_\_\_\_\_ (date), and on each successive expiration date, unless at least 120 days before the current expiration date, we notify you and \_\_\_\_\_ (operator name) by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event you are so notified, any unused portion of the credit shall be available upon presentation of your sight draft for 120 days after the date of receipt by both you and \_\_\_\_\_ (operator name), as shown on the signed return receipts.

The purpose of this letter of credit is to provide financial security for proper plugging and abandonment of the well or wells, associated site restoration and response to emergencies. In the event this letter of credit is called upon for less than all the wells and facilities listed on Exhibit "A", the amount of the letter of credit shall be reduced in proportion to the amounts listed for each well and/or facility called on as listed on Exhibit "A", but shall not otherwise effect the availability of the remainder of the funds except as otherwise provided herein.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits by the

International Chamber of Commerce Brochure No. 600 (2007 revision).

We hereby agree with you and negotiating banks or bankers that drafts drawn under and in compliance with the terms of this credit shall be duly honored on due presentation to the drawee.

Yours truly,

(Name of Bank)

BY: \_\_\_\_\_

Duly Authorized Signature

(Name of Bank)

BY: \_\_\_\_\_

Authorized Counter Signature

DATE: \_\_\_\_\_

Form: FS-LCMW  
(01/31/2007)

