



APPLICATION FOR MISCELLANEOUS SURETY & INDEMNITY AGREEMENT

Producer: _____

(City, State, Zip) (Telephone)

Principal: _____

Address: _____

(No., Street and Suite Number or Post Office Box)

(City, State, Zip) (Telephone)

Principal's ownership structure is:

- | | |
|--|--|
| <input type="checkbox"/> individual proprietorship | <input type="checkbox"/> partnership |
| <input type="checkbox"/> corporation | <input type="checkbox"/> joint venture |
| <input type="checkbox"/> other (describe) _____ | |

Length of time in business under this name: _____

Fully describe the bonds requested and the operation necessitating bonds: _____

Length of time principal has conducted this operation: _____

Has any Surety ever cancelled any bond(s) or declined renewal(s) for Principal? _____ If "yes" explain on separate page.

Other sureties to whom this bond has been submitted: _____

Has the principal, any partner, officer, or co-venturer ever:

- | | |
|-----------------------------------|-------------------------------|
| _____ failed in business? | _____ been adjudged bankrupt? |
| _____ been convicted of a felony? | _____ filed for bankruptcy? |

If the answer to any of the foregoing is "Yes," attach full particulars.

Does the principal, any partner, officer or co-venturer have any contingent liabilities, lawsuits or judgments pending against him? _____

If "yes," attach full particulars.

Has the principal, any partner, officer or co-venturer ever defaulted on a license or permit bond? _____ If "yes," attach full particulars.

Name and Address of Principal's Bank: _____

Contact: _____
(Name) (Telephone)

Credit References:

1. _____
(Name) (Business)

(Mail Address) (Telephone)

2. _____
(Name) (Business)

(Mail Address) (Telephone)

3. _____
(Name) (Business)

(Mail Address) (Telephone)

_____ INITIALS _____ DATE

INDEMNITY AGREEMENT - READ CAREFULLY

RLI Indemnity Company

RLI Insurance Company

THIS INDEMNITY AGREEMENT is executed by each of the undersigned for the purpose of indemnifying any one or a combination of **RLI Indemnity Company** and **RLI Insurance Company**, hereinafter referred to individually or collectively as "Surety," in connection with any bond executed on behalf of the Principal named herein, hereinafter referred to as "Principal," and to induce Surety to execute or procure the execution of such bond and any extension, modification or renewal thereof, addition thereto or substitution therefor. Principal, as defined herein, shall include any and all wholly or partially owned subsidiary companies, subsidiaries of subsidiaries, divisions or affiliates, partnerships, venturers or co-venturers in which the undersigned, its wholly or partially owned companies, divisions or affiliates have an interest or participation whether open or silent; jointly, severally or in any combination with each other, now in existence or which may hereafter be created or acquired. The liability and obligation of all signatories hereto shall be joint and several; and a default of any signatory in performance of any of its obligations to Surety under this or other Indemnity Agreements shall constitute a default hereunder.

IN CONSIDERATION of the execution of such bond, the undersigned hereby agree, for themselves, their personal representatives, successors and assigns, jointly and severally, as follows:

1. To pay the Surety an advance premium for the first year, or a fractional part thereof that is fully earned; and, each year thereafter, to pay to Surety an annual renewal premium in amount as determined applicable by Surety [not to exceed 15% of the penalty sum(s) of the bond(s)], or any applicable minimum earned premium, continuing until the Surety shall be discharged or released from any and all liability and responsibility under said bond(s), and all matters arising therefrom, and until competent written legal evidence of such discharge or release, satisfactory to the Surety, is served upon the Surety. In the event that Principal shall fail to pay when due any annual premium or portion thereof, or fail to pay within ten (10) days after demand therefor any other sum becoming due Surety hereunder; then, unless Principal shall, immediately upon demand therefor, (a) procure and deliver to Surety appropriate competent legal evidence satisfactory to Surety and its counsel, of discharge and release of Surety from any and all liability and responsibility under the bond(s) and all matters arising therefrom; and (b) pay to Surety all sums owed Surety as of the effective date of such absolute release of Surety from said obligations, Surety may require that there be paid, and the undersigned agree that they shall forthwith pay, to Surety, an amount equal to the full penalty amount of the bond(s), to be held as collateral security until; (i) all sums due and to become due Surety have been paid, and, (ii) Surety shall be wholly discharged and released from all liability under said bond(s).
2. To indemnify and keep indemnified the Surety and hold and save it harmless from and against any and all liability, damage, loss, cost and expense of whatsoever kind or nature, including counsel and attorneys' fees which the Surety may at any time sustain or incur by reason or in consequence of having executed or procured the execution of the bond or in enforcing this agreement against any of the undersigned or in procuring or in attempting to procure its release from liability or a settlement under any bond.
3. The Surety may, in its sole and absolute discretion, require the undersigned provide security, in form and amounts acceptable to the Surety, to secure the undersigned's obligations to the Surety hereunder. Each of the undersigned shall execute such documents and take such further action as may be necessary in order to provide such security. Further, the undersigned will, upon demand of the Surety at any time hereafter, deliver to the Surety additional collateral, in form and amounts acceptable to the Surety. If an undersigned provides the Surety with a letter of credit or similar instrument as collateral, such undersigned agrees the Surety has the right to call on the same from time to time, in whole or in part and for any reason or no reason, and to hold the proceeds thereof as collateral for the obligations of the undersigned hereunder, or to pay any such obligations arising hereunder. Any cash (held in any type of account) provided as collateral will be available, in Surety's sole discretion, to pay any of the obligations arising hereunder. The Surety shall deposit cash security, if so provided by the undersigned, in an account (which may not be interest bearing) in the name of and exclusively controlled by the Surety, in any bank selected by the Surety in its sole discretion. The undersigned grant to Surety a secured interest in or a lien on any collateral, including any letters of credit or cash arising from draws thereunder, now or hereafter deposited with Surety. Any such collateral shall be available, in the discretion of the Surety, as collateral security on any other or all bonds heretofore or hereafter executed for or at the request of any of the undersigned. Investment of collateral shall be at the sole discretion of the Surety and income, if any, from such investment shall accrue to the benefit of the undersigned providing the collateral.
4. If the Surety shall procure any other company or companies to execute or join with it in executing, or to reinsure said bonds, this instrument shall serve to benefit such other company or companies, its or their successors and assigns, so as to give it or them a direct right of action against the indemnitors to enforce the provisions of this instrument.
5. An itemized statement of payments made by the Surety for any of the purposes above specified, sworn to by an officer of the Surety, or the voucher or vouchers for such payments, shall be prima facie evidence of the liability of the undersigned to reimburse the Surety for such payments, with interest.
6. The Surety in its sole discretion, and without notice to the undersigned, is hereby authorized but not required, (a) from time to time to make or consent to any change in said bond or to issue any substitutes or any renewal thereof, and this instrument shall apply to such substituted or changed bond or renewal; (b) take such action as it may deem appropriate to prevent or minimize loss under said bond, including but not limited to steps to procure discharge from liability under said bond; and (c) to adjust, settle or compromise any claim or suit arising under said bond and, with respect to any such claim or suit, to take any action it may deem appropriate; and any adjustment, settlement or compromise made or action taken by the Surety shall be conclusive against and binding upon the undersigned.
7. Each of the undersigned agrees to pay the full amount of the foregoing regardless of (a) the failure of the Principal to sign any such bond or (b) any claim that other indemnity, security or collateral was to have been obtained or (c) the release, return or exchange by the Surety with or without the consent of the undersigned, of any indemnity, security or collateral that may have been obtained or (d) the fact that any party signing this instrument is not bound for any reason. The Surety is expressly subrogated to all rights of the Principal and each of the undersigned (or any or all of them) to collect, receive, recover and/or be reimbursed from (i) any co-owners or owners of undivided interest in any properties, wells and leasehold interest relative to which the bond(s) shall apply; or (ii) any party contractually bound to pay or reimburse any of the undersigned on account of ownership or operation of any properties, wells and leasehold interest relative to which the bond(s) shall apply; or, (iii) any other party otherwise obligated to, or for, the undersigned in any way, in connection with or arising out of damage to any properties, wells or leaseholds relative to which the bond(s) shall apply. Surety, as subrogee, upon default of payment of any sums becoming payable hereunder by any of the undersigned, may enforce all of the rights of the undersigned in and to any such above described claims and interests; and may pursue its remedies hereunder in its own name or in the name of the Principal; provided, however, that nothing herein shall require that Surety pursue any such remedy or claim against any third party. The undersigned agree, upon demand of Surety therefor, to execute and deliver any and all appropriate further documentation evidencing and authorizing Surety to pursue, recover, collect and hold for its account any such claims or rights.
8. Separate suits may be brought hereunder as causes of action accrue, and suit may be brought against any and all of the undersigned; and any suit or suits upon one or more causes of action, or against one or more of the undersigned, shall not prejudice or bar subsequent suits against any other or all of the undersigned on the same or any other causes of action, whether theretofore or thereafter accruing.
9. The undersigned hereby expressly waive notice from the Surety of any claim or demand made against the Surety or the Principal under the bond or of any information the Surety may receive concerning the Principal, any contract or bond. The Surety shall have the right to decline any or all bonds herein applied for and shall have the right to withdraw from or cancel the same at any time, all without incurring any liability to the undersigned.
10. Whenever used in this instrument the plural term shall include the singular and the singular shall include the plural, as the circumstances require. If any portion of this agreement be in conflict with any law controlling the construction hereof, such portion of this instrument shall be considered to be deleted and the remainder shall continue in full force and effect.
11. The undersigned hereby waive all rights to claim any of their property, including their respective homesteads, as exempt from levy, execution, sale or other legal process in any action hereunder.
12. This Agreement is a continuing obligation of each of the undersigned unless terminated by written notice to Surety as hereinafter provided, and such termination as to an undersigned shall in no way affect the obligation of any other undersigned who has not given such notice. In order to terminate liability as to future bonds of Principal, an undersigned must, (a) notify the Surety at 8 Greenway Plaza, Suite 400, Houston, Texas 77046, of such termination, and (b) state in such notice the effective date (not less than thirty days after receipt thereof by Surety) of termination of such undersigned's liability for future bonds. After the effective date of such termination, the undersigned giving notice of termination shall nonetheless be liable hereunder for bonds executed or authorized prior to such date, and renewal, substitutions and extensions thereof; and any maintenance or guarantee bonds executed incidental to any other bond executed prior to such date, and renewals, substitutions and extensions thereof.
13. All obligation hereunder of each of the undersigned are performable in, and all monies due Surety hereunder are payable in, Harris County, Texas.
14. This Agreement may be executed in multiple counterparts, and by the undersigned on separate counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Delivery by teletype of a signed counterpart of this Agreement shall be effective as physical delivery.
15. Nothing herein contained shall be construed to waive or abridge any right or remedy which the Surety might have if this instrument were not executed. This Agreement shall constitute both the security agreement to the Surety and also a financing statement, and Surety is authorized to make any filings necessary to perfect its security interest under this Agreement. A photocopy of this Agreement is sufficient as a financing statement. Nothing herein shall require Surety to issue or provide Principal with any other or additional bond(s). This Indemnification Agreement shall extend to and cover and indemnify the Surety against loss under not only the bond(s) executed pursuant hereto, or any extension, modifications or renewal, thereof; but as well, to any presently outstanding bond(s) executed by the Surety on behalf of any Indemnitor hereunder; and as to same the obligation of Indemnitors hereon shall be supplemental and in addition to (and not in lieu of, or in diminution of) the obligation of the Indemnitors under any presently existing Indemnity Agreement securing such pre-existing bond(s).

INITIALS

DATE

INSTRUCTIONS FOR SIGNING:

IF SOLE PROPRIETORSHIP: Owner must sign as Principal, his spouse as Personal Indemnitor.
IF PARTNERSHIP: All active partners must sign for Principal, the spouse of each as Personal Indemnitors.
IF CORPORATION: President or Vice President must sign for Principal, attested to by Corporate Secretary.
 At least two officers must also sign as Personal Indemnitors, if required.

SIGNED AND DATED this _____ day of _____, A.D. _____.

NAME OF PRINCIPAL: _____

ATTEST: _____ by: _____
(signature)
 _____ by: _____
(signature)

principal's
corporate
seal

surety's
corporate
seal

In consideration of the execution by Surety of any bonds, each of the undersigned, jointly and severally, agrees to be bound by all of the terms of the foregoing Indemnity Agreement, executed by the Principal, as fully as though each of the undersigned were the sole Principal named herein, and admit to being financially interested in the performance of the obligation which any suretyship is given to secure.

CORPORATE INDEMNITOR #1 SIGN HERE CORPORATE INDEMNITOR #2 SIGN HERE

| | |
|---|---|
| <p><input checked="" type="checkbox"/> _____ Corporate Name: _____ Corporate Address: _____</p> | <p><input checked="" type="checkbox"/> _____ Corporate Name: _____ Corporate Address: _____</p> |
|---|---|

CORPORATE ACKNOWLEDGEMENT OF SIGNING OFFICER

STATE OF _____
 COUNTY OF _____ }
 On this _____ day of _____, _____, before me personally appeared _____ to me known, and, being by me duly sworn, deposes and says that he resides in the City of _____ that he is the _____ of the _____ the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was affixed by the order of the Board of Directors of said corporation, and that he signed his name thereto by like order.
 My Commission Expires: _____

Notary Public

CORPORATE ACKNOWLEDGEMENT OF SIGNING OFFICER

STATE OF _____
 COUNTY OF _____ }
 On this _____ day of _____, _____, before me personally appeared _____ to me known, and, being by me duly sworn, deposes and says that he resides in the City of _____ that he is the _____ of the _____ the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was affixed by the order of the Board of Directors of said corporation, and that he signed his name thereto by like order.
 My Commission Expires: _____

Notary Public

CORPORATE ACKNOWLEDGEMENT OF SIGNING OFFICER

STATE OF _____
 COUNTY OF _____ }
 On this _____ day of _____, _____, before me personally appeared _____ to me known, and, being by me duly sworn, deposes and says that he resides in the City of _____ that he is the _____ of the _____ the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was affixed by the order of the Board of Directors of said corporation, and that he signed his name thereto by like order.
 My Commission Expires: _____

Notary Public

_____ INITIALS _____ DATE

In consideration of the execution by Surety of any bonds, each of the undersigned, jointly and severally, agrees to be bound by all of the terms of the foregoing Indemnity Agreement, executed by the Principal, as fully as though each of the undersigned were the sole Principal named herein, and admit to being financially interested in the performance of the obligation which any suretyship is given to secure.

PERSONAL INDEMNITOR #1 SIGN HERE

PERSONAL INDEMNITOR #2 SIGN HERE

X
Residence _____
Address: _____

SSN# _____

X
Residence _____
Address: _____

SSN# _____

PERSONAL INDEMNITOR #3 SIGN HERE

PERSONAL INDEMNITOR #4 SIGN HERE

X
Residence _____
Address: _____

SSN# _____

X
Residence _____
Address: _____

SSN# _____

PERSONAL INDEMNITOR ACKNOWLEDGEMENT

STATE OF _____
COUNTY OF _____ }

On this _____ day of _____, _____, before me personally appeared _____ to me known and known to me to be the person who is described in and who executed the foregoing instrument and acknowledged to me that he executed the same.
My Commission Expires:

Notary Public

PERSONAL INDEMNITOR ACKNOWLEDGEMENT

STATE OF _____
COUNTY OF _____ }

On this _____ day of _____, _____, before me personally appeared _____ to me known and known to me to be the person who is described in and who executed the foregoing instrument and acknowledged to me that he executed the same.
My Commission Expires:

Notary Public

INDIVIDUAL ACKNOWLEDGEMENT OF SOLE PROPRIETORSHIP

STATE OF _____
COUNTY OF _____ }

On this _____ day of _____, _____, before me personally appeared _____ to me known and known to me to be the person who is described in and who executed the foregoing instrument and acknowledged to me that he executed the same.
My Commission Expires:

Notary Public

PARTNERSHIP ACKNOWLEDGEMENT OF EACH SIGNING PARTNER

STATE OF _____
COUNTY OF _____ }

On this _____ day of _____, _____, before me personally appeared _____, each member of the co-partnership of _____ to me known and known to me to be the persons who are described in and who executed the foregoing instrument and acknowledge to me that they executed the same as and for the act and deed of the said co-partnership.
My Commission Expires:

Notary Public

_____ INITIALS

_____ DATE

WELL INFORMATION PUNCH LIST
Include with Application

For Blanket Bonds
On Active & Shut-in
Wells :

- Total # Oil Wells
- Total # Gas Wells
- Amount of Production for Each Well
- Copy of P-5 Organization Report Fact Sheet
(For TRC Blanket Bonds)
- Length of Time Wells Have Been Shut-in
- Plan to Rework (if any)
- Cost to Rework
- Time to Rework

For Individual Bonds:
(Per Well)

- Well Name & Number
- Lease Name & Number
- API Number
- County Located
- Legal Description
- Well Depth

If Purchasing Wells From
Another Operator:

- Sellers Name
- Lease Names
- Well Numbers