



Office of Oil & Gas Resource Management
One Natural Resources Way
Springfield, IL 62702-1271
(217) 782-7756

FINANCIAL SECURITY INSTRUMENT IRREVOCABLE LETTER OF CREDIT

- ☐ LIQUID OILFIELD WASTE TRANSPORTATION SYSTEM BOND
☐ BLANKET BOND (ALL WELLS OR PERMITS)
☐ INDIVIDUAL BOND (SINGLE WELL OR PERMIT)

PERMITTEE # _____

Issuing Bank Information:

Name	Date Issued
Address	Amount \$
Telephone	Bank LOC Number

THE _____ (ISSUING BANK) HEREBY ISSUES THIS IRREVOCABLE LETTER OF CREDIT TO THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, ON BEHALF OF

_____ (PERMITTEE NAME) FOR A PERMIT TO: (CHOOSE ONE)

- ☐ OPERATE A LIQUID OILFIELD WASTE TRANSPORTATION SYSTEM, OR
☐ DRILL COAL, STRUCTURE, MINERAL OR GROUNDWATER MONITORING TEST HOLE OR HOLES; OR
☐ DRILL OR DEEPEN AN OIL OR GAS WELL (OR WELLS) OR A WELL (OR WELLS) USED IN CONJUNCTION THEREWITH, OR
☐ TRANSFER, A WELL (OR WELLS) ACQUIRED FOR OIL AND GAS PRODUCTION OR FOR USE IN CONJUNCTION THEREWITH.

ONLY COMPLETE IF BOND IS FOR INDIVIDUAL WELL OR PERMIT

WELL TO BE KNOWN AS: _____ REFERENCE #: _____
NORTH EAST
SOUTH WEST OF THE _____ CORNER OF THE _____ QUARTER
OF THE _____ QUARTER OF THE _____ QUARTER OF SECTION _____
TOWNSHIP _____ NORTH EAST
SOUTH RANGE _____ WEST, _____ COUNTY

THIS IRREVOCABLE LETTER OF CREDIT AUTHORIZES THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT TO DRAW ON THE ISSUING BANK, UP TO THE AMOUNT OF _____ DOLLARS (\$ _____), BY SIGHT DRAFT PRESENTED FOR PAYMENT TO THE ISSUING BANK. THE SIGHT DRAFT SHALL INCLUDE A SIGNED STATEMENT FROM THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT THAT THE PERMITTEE'S FAILURE TO COMPLY WITH THE REQUIREMENTS OF THE ILLINOIS OIL AND GAS ACT, 225 ILCS 725/1 ET SEQ. (ACT), HAS RESULTED IN A FORFEITURE ORDER ISSUED IN ACCORDANCE WITH 62 ILL. ADM. CODE 240.1530.

THE ISSUING BANK AUTHORIZES THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, ITS LAWFUL ASSIGNS, OR THE ATTORNEYS FOR THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT AND ITS ASSIGNS, TO SUE, TO WAIVE NOTICE AND PROCESS, TO APPEAR ON BEHALF OF, AND TO CONFESS JUDGMENT AGAINST THE ISSUING BANK, IN THE EVENT THAT THIS IRREVOCABLE LETTER OF CREDIT IS DISHONORED. THIS IRREVOCABLE LETTER OF CREDIT SHALL BE DEEMED TO BE MADE IN SANGAMON COUNTY, ILLINOIS, FOR PURPOSES OF ENFORCEMENT AND ANY ACTIONS THEREON SHALL BE ENFORCEABLE IN THE COURTS OF ILLINOIS AND SHALL BE CONSTRUED UNDER ILLINOIS LAW.

THIS ISSUING BANK IS (AN ILLINOIS BANK CORPORATION OPERATING UNDER ILLINOIS BANKING CHARTER NO. _____) (OR) (A NATIONAL BANKING ASSOCIATION OPERATING UNDER CHARTER NO. _____) ISSUED BY THE U. S. COMPTROLLER OF THE CURRENCY AND CONDUCTS ITS BUSINESS AT THE ADDRESS SHOWN ABOVE. THE ISSUING BANK SHALL GIVE PROMPT NOTICE TO THE PERMITTEE AND TO THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT OF ANY NOTICE RECEIVED OR ACTION ALLEGING THE INSOLVENCY OR BANKRUPTCY OF THE ISSUING BANK OR ALLEGING ANY VIOLATIONS OF REGULATORY REQUIREMENTS WHICH COULD RESULT IN SUSPENSION OR REVOCATION OF THE ISSUING BANK'S CHARTER OR LICENSE TO DO BUSINESS.

IN THE EVENT THE ISSUING BANK BECOMES UNABLE TO FULFILL ITS OBLIGATIONS UNDER THIS IRREVOCABLE LETTER OF CREDIT FOR ANY REASON, NOTICE SHALL BE GIVEN IMMEDIATELY TO THE PERMITTEE AND THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, PROVIDED THAT SUCH NOTICE SHALL IN NO WAY RELIEVE THE ISSUING BANK OF ITS OBLIGATIONS UNDER THIS IRREVOCABLE LETTER OF CREDIT.

THIS IRREVOCABLE LETTER OF CREDIT IS A BINDING OBLIGATION ON THE ISSUING BANK, INDEPENDENT OF THE ACTS AND OMISSIONS OF THE PERMITTEE, PAYABLE UPON PRESENTMENT BY THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT. THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT AND/OR THE STATE OF ILLINOIS SHALL IN NO WAY BE OBLIGATED TO THE ISSUING BANK OR PERMITTEE FOR REPAYMENT OF ALL OR ANY PORTION THEREOF.

SELECT ONE:

- ☐ THIS LETTER OF CREDIT WILL AUTOMATICALLY EXTEND FOR ADDITIONAL, SUCCESSIVE TERMS OF ONE (1) YEAR EACH FROM THE ORIGINAL DATE OF ISSUANCE, UNLESS THE ISSUING BANK PROVIDES THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT WITH WRITTEN NOTICE, AT LEAST NINETY (90) DAYS PRIOR TO THE EXPIRATION DATE, THAT IT DOES NOT WISH TO EXTEND THE IRREVOCABLE LETTER OF CREDIT FOR AN ADDITIONAL PERIOD. THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT HAS THE RIGHT TO DRAW ON THIS IRREVOCABLE LETTER OF CREDIT IN THE EVENT THE PERMITTEE DOES NOT REPLACE THIS IRREVOCABLE LETTER OF CREDIT, PRIOR TO THIRTY (30) DAYS BEFORE ITS EXPIRATION, WITH A REPLACEMENT BOND WHICH COMPLIES WITH THE OIL AND GAS RULES, PURSUANT TO 62 ILL. ADM . CODE 240.1520(D)(1)(B).
- ☐ THE LIABILITY OF THE ISSUING BANK UNDER THIS IRREVOCABLE LETTER OF CREDIT SHALL CONTINUE IN FORCE FROM THE ISSUE DATE UNTIL RELEASED BY THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, PURSUANT TO SECTIONS 6(2) AND 8c OF THE ACT, 225 ILCS 725/6(2) AND 8c.

UNDER PENALTIES OF PERJURY, I DECLARE THAT I AM EXECUTING THE FOREGOING IRREVOCABLE LETTER OF CREDIT FOR THE USES AND PURPOSES THEREIN SET FORTH AND CERTIFY THAT THIS LETTER OF CREDIT IS NOT IN EXCESS OF TEN PERCENT (10%) OF THE ISSUING BANK'S UNIMPAIRED CAPITAL AND SURPLUS ACCOUNTS, DEFINED IN SECTION 2 OF THE ILLINOIS BANKING ACT, AS EVIDENCED BY THE MOST RECENT QUARTERLY CALL REPORT PROVIDED TO THE FEDERAL DEPOSIT INSURANCE CORPORATION.

PRINT NAME, PRESIDENT OR CEO OF ISSUING BANK

SIGNATURE, PRESIDENT OR CEO OF ISSUING BANK

IDNR/OOGRM APPROVAL:

OFFICE OF OIL AND GAS RESOURCE MANAGEMENT

DATE OF APPROVAL

PERMITTEE INFORMATION:

NAME OF INDIVIDUAL, COMPANY OR CORPORATION (MUST BE SAME AS PERMITTEE NAME ON FRONT PAGE)

ADDRESS

TELEPHONE/FAX NUMBER