

H-3104-1 - BONDS

Nationwide Personal Oil and Gas Lease Bond,
Form 3106-4 (September 1966 Edition)

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(September 1966)
(Formerly 4-1168)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NATIONWIDE PERSONAL OIL AND GAS LEASE BOND

KNOW ALL MEN BY THESE PRESENTS, That

of _____, as obligor, is held and firmly bound unto
the United States of America in the sum of _____ dollars

(\$ _____), lawful money of the United States which sum may be increased or decreased by a rider hereto executed in the same manner as this bond, for the use and benefit of

1. the United States;
2. any owner of a portion of the land subject to the coverage of this bond who has a statutory right to compensation in connection with a reservation of oil and gas deposits to the United States; and
3. any lessee or permittee under a lease or permit issued by the United States prior to the issuance of an oil and gas lease for the same land subject to this bond covering the use of the surface or the prospecting for, or development of, other mineral deposits in any portion of such land, to be paid to the United States.

For such payment, well and truly to be made, he binds himself, his heirs, executors, administrators, and successors, jointly and severally, by these presents.

If the amount of this bond is \$150,000, or if it is raised by an attached rider to that amount, the coverage shall extend to all the obligor's holdings involving oil and gas deposits in the United States, including Alaska, under the Act or Acts cited in Schedule A.

If the amount of this bond is less than \$150,000, its coverage extends only to the obligor's holdings involving oil and gas deposits in the State or States named in Schedule A and to any other State or States that may be named in a rider attached hereto. Furthermore, such coverage is confined to the obligor's holdings under the Act or Acts cited at the head of the column under which the name(s) of the State or States are now placed, or may be hereafter placed by the aforementioned rider.

SCHEDULE A

Public Domain Leasing Act of February 25, 1920
(41 Stat. 437) as amended (30 U.S.C. 181)

NAMES OF STATES

Acquired Lands Leasing Act of August 7, 1947
(61 Stat. 913; 30 U.S.C. 151)

NAMES OF STATES

The conditions of the foregoing obligations are such that, whereas the said obligor, in one or more of the following ways, has an interest in oil and gas leases issued under the Act or Acts cited in Schedule A of this bond:

1. as the lessee of such leases;
2. as the approved holder of operating rights in all or part of the lands covered by such leases under operating agreements with the lessees; and
3. as designated operator or agent under such leases pending approval of an assignment or operating agreement; and

WHEREAS the obligor is authorized to drill for, mine, extract, remove, and dispose of oil and gas deposits in or under the lands covered by the leases, operating

agreements or designations, and is obligated to comply with certain covenants and agreements set forth in such instruments; and

WHEREAS the obligor agrees that the coverage of this bond, in addition to the present holdings of the obligor shall extend to and include:

1. Any oil and gas lease hereafter issued to, or acquired by, the obligor affecting oil and gas deposits in the State or States now named in Schedule A, or later named in a rider, the coverage to be confined in the obligor's holdings under the Act or Acts cited at the head of the column in which the name(s) of the State or States appears and to become effective immediately upon such issuance or upon departmental approval of a transfer in favor of the obligor.

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2. Any operating agreement hereafter entered into or acquired by the obligor, affecting oil and gas deposits in the States now named in Schedule A, or later named in a rider, relating to oil and gas leases issued under the Act or Acts cited in Schedule A at the head of the column in which the name of the State is placed. The coverage shall become effective immediately upon departmental approval of the agreement or of a transfer of an operating agreement to the obligor.

3. Any designation subsequent hereto of the obligor as operator or agent of a lessee under a lease issued pursuant to an Act or Acts cited in Schedule A and covering lands in a State named in Schedule A, either presently or by rider. This coverage shall become effective immediately upon the filing of such a designation under a lease.

4. Any extension of a lease covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease.

WHEREAS the obligor hereby agrees that notwithstanding the termination of any lease or leases, operating agreements or designations as operator or agent, covered by this bond, whether the termination is by operation of law or otherwise, the bond shall remain in full force and effect as to any remaining leases, operating agreements, or designations covered by the bond; and

WHEREAS the obligor as to any lease or part of a lease for lands as to which he has been designated as operator or agent, or approved as operator, in consideration of being permitted to furnish this bond in lieu of the lessees, agrees and by these presents does hereby bind himself to fulfill, on behalf of each lessee, all the obligations of each such lease for the entire leasehold in the same manner and to the same extent as though he were the lessee; and

WHEREAS the obligor agrees that notwithstanding any use of the security pledged herewith for the purpose for which it is pledged, the bond shall remain in full force and effect in the sum above set forth and that he will, whenever so required by the lessor, deposit additional security to bring the security up to the full amount; and

WHEREAS the obligor agrees that the neglect or forbearance of said lessor in enforcing, as against the lessees of such lessor, the payment of rentals or royalties or the performance of any other covenant, condition, or agreement of the leases, shall not, in any way, release the obligor from any liability under this bond; and

WHEREAS the obligor agrees that in the event of any default under the leases, the lessor may commence and prosecute any claim, suit, action, or other proceeding against the obligor without the necessity of joining the lessees.

NOW, THEREFORE, If said obligor shall in all respects faithfully comply with all of the provisions of the leases referred to hereinbefore, then the above obligations are to be void; otherwise to remain in full force and effect.

That said obligor, in order the more fully to secure the United States in the payment of the aforesaid sum, hereby pledges as security therefor negotiable bonds of the United States, of a par value equal to the amount specified, which said bonds are numbered serially and are in the denominations and amounts and are otherwise more particularly described in the attached schedule, which is made a part hereof, and which said bonds have been deposited with the Secretary of the Interior.

That the said obligor does hereby constitute and appoint the Secretary of the Interior as his attorney, for him and in his name to collect or to sell, assign, and transfer the said United States bonds above described and deposited by the obligor, as aforesaid, pursuant to authority conferred by Section 1 of the Act of July 30, 1947 (61 Stat. 646; 6 U.S.C. 15) as security for the faithful performance of any and all of the conditions or stipulations as hereinbefore set out, and it is agreed that, in case of any default in the performance of the conditions and stipulations of such undertaking the said attorney shall have full power to collect said bonds or any part thereof, or to sell, assign, and transfer said bonds or any part thereof without notice, at public or private sale, free from any equity of redemption or without appraisalment or valuation, notice and right to redeem being waived, and to apply proceeds of such sale or collection to the full amount of the bond to the satisfaction of any damages, or deficiencies arising by reason of such default, as said attorney may deem best. The interest accruing upon said United States bonds deposited as above stated, in the absence of any default in the performance of any of the conditions or stipulations of the bond, shall be paid to said obligor. The said obligor hereby for himself, his heirs, executors, administrators, and successors, ratifies and confirms whatever his said attorney shall do by virtue of these presents.

Signed on this _____ day of _____, 19____, in the presence of:

(Signature of Obligor)

(Business Address of Obligor)