

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

FORM CF-2
Rev. 04/2014

Date: _____

Name of Issuing Bank: _____

Physical address of
issuing bank: _____

This financial assurance covers the following type of facility(ies) denoted by an "X":

COMMERCIAL: STORAGE RECLAMATION TREATMENT DISPOSAL
 RECYCLING SEPARATION

To: RAILROAD COMMISSION OF TEXAS
 Attention: Oil and Gas Division
 Technical Permitting
 P.O. Box 12967
 Austin, Texas 78711-2967

1. Organization Name, exactly as shown on P-5, Organization Report:	2. P-5 Number, if assigned:	3. Total number of disposal/injection wells associated with the commercial facility, if applicable:
4. Other Commission-regulated operations, if applicable:		

This letter of credit covers the following facilities (*on a separate line for each facility, include the facility name, facility permit number and/or application control number, physical address, zip code, and county in which the facility is located. Attach information for additional facilities as Exhibit A entitled "Exhibit A of RRC CF-2 Letter of Credit No. _____"*):

- (A) _____
- (B) _____
- (C) _____
- (D) _____

We (Issuing Bank) hereby establish our Irrevocable Standby Letter of Credit No. _____, in favor of the Railroad Commission of Texas, Austin, Texas (you), for the account of _____ (operator name as shown on P-5 Organization Report), for an amount or amounts not to exceed in the aggregate \$ _____ U.S., available by your drafts at sight on the bank, effective _____ (date) and expiring on _____ (date at least one year later), but such expiration date shall be automatically extended for a period of _____ year(s) beginning on the initial expiration date and each successive expiration date, unless, at least 120 days before the expiration date applicable to the current term, we notify both the Director of Oil & Gas Division of the Railroad Commission of Texas at 1701

North Congress Avenue, Austin, TX 78701 and _____(operator name as shown on P-5 Organization Report)_____, by certified mail, return receipt requested, that we have decided not to extend this letter of credit beyond the current expiration date. Upon receipt of such notice, and for a period of 120 days after the date the Director of Oil & Gas Division of the Railroad Commission of Texas signs the return receipt card, you may draw on us hereunder upon presentation of your sight draft. This letter of credit may be terminated during the course of its term only if we are provided with a letter from you stating that each of the above-referenced facilities have been closed in a manner that meets your requirements or on such date as you authorize the release of this Letter of Credit.

The documents specified below must be presented at sight on or before the expiry date in accordance with the terms and conditions of this Irrevocable Standby Letter of Credit:

- A. This Irrevocable Standby Letter of Credit or a copy thereof; and
- B. An affidavit from the Railroad Commission of Texas or its authorized representative, stating that a commercial facility subject to this Letter of Credit has not provided a substitute letter of credit that has been accepted by the Railroad Commission of Texas or its authorized representative or has defaulted on its obligations under state law, Railroad Commission rules, or the conditions of the commercial facility permit, or is likely to pollute or polluting any ground or surface water, or is not being maintained in compliance with state law, Railroad Commission rules, or the conditions of the commercial facility permit relating to the prevention or control of pollution.

We engage with you that drafts drawn under and in conformity with the terms and conditions stated above will be duly honored on presentation if presented to us at our office at the address shown above or any of our bank branch locations on or before the expiry date.

The credit is subject to the Uniform Customs and Practice for Documentary Credits (revision in force as of July 1, 2007), International Chamber of Commerce—Publication 600.

AUTHORIZED COUNTERSIGNATURE

AUTHORIZED SIGNATURE

NAME AND TITLE (Type or print)

NAME AND TITLE (Type or print)

(Attach Certified Copy of Corporate Resolution demonstrating persons who sign have authority from the bank at the time they sign to sign for up to or over the amount of this Letter of Credit.)