



**IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_**  
**RAILROAD COMMISSION OF TEXAS**  
Oil & Gas Division | Technical Permitting  
**Authorized Schedule B Letter of Credit**

Date: \_\_\_\_\_

Organization Name: \_\_\_\_\_ P-5 No. \_\_\_\_\_

Name of Issuing Bank: \_\_\_\_\_

Address of Issuing Bank: \_\_\_\_\_

Phone Number of the Issuing Bank: \_\_\_\_\_

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

This Letter of Credit covers the following Produced Water Recycling Pit(s)  
(Attach information for additional Produced Water Recycling Pits as Exhibit A entitled "Exhibit A of RRC EP-4 Letter of Credit No. \_\_\_\_\_"):

	Pit ID/Name by Operator	Total Pit Capacity (barrels)	RRC Tracking/Registration No.
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

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 \_\_\_\_\_ (Organization name as shown on P-5 Organization Report), for the amount or amounts not to exceed 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 shall be automatically extended for a period of one year 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 \_\_\_\_\_ (Organization 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 the Oil & Gas Division of the Railroad Commission of Texas signs the return receipt card, you may draw on us here under upon presentation of your sight draft. This letter of credit may be terminated during its term only if we are provided with a letter from you stating that each of the above-referenced Produced Water Recycling Pit(s) has been closed in a manner that meets your requirements or on such date as you authorize the release of this Letter of Credit.

The document 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 Produced Water Recycling Pit(s) 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 obligation under state law, Railroad Commission rules, or is likely to pollute or polluting any ground or surface water, or is not being maintained in compliance with state law and the Railroad Commission rules 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 branches 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.

Dated Issued \_\_\_\_\_

\_\_\_\_\_  
AUTHORIZED COUNTER SIGNATURE

\_\_\_\_\_  
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 the authority from the bank at the time they sign for up to or over the amount of this Letter of Credit.)*