COUNTY TEST HOLE
SURETY BOND
Form No. B7 (Formerly State Form No. 29977R)
Revised on 12/7/98

INDIANA DEPARTMENT OF NATURAL RESOURCES
Division of Oil and Gas
402 W. Washington St., Rm. 293
Indianapolis, IN 46204
Phone (317) 232-4055
FAX (317) 232-1550
Internet: http://www.state.in.us/dnroil

(I) (We) ________________________, of the city of ______________, county of ______________, State of ______________, as Principal and ________________________, as Surety are held and firmly bound unto the State of Indiana in the sum of Five Thousand Dollars ($5,000) upon the terms set forth in this County Test Hole Surety Bond (the "Bond"):

1. The Bond applies to all test holes drilled or deepened for which the Principal has acquired a permit under IC 14-37.

2. The purpose of the Bond is to provide for compliance with IC 14-37 with respect to the plugging of all test holes, the filling in of all excavations, and the restoration of the surface as nearly as possible to its former condition prior to the drilling of each test hole covered by the Bond.

3. The Bond is effective from filing with the Department of Natural Resources until the permit for which the Bond was issued has expired, is canceled, or has been revoked except that the Bond shall remain in full force and effect as to any test hole drilled prior to the expiration, cancellation, or revocation of the permit.

4. The Bond binds the Principal and Surety and their heirs, executors, administrators, successors, and assigns jointly and severally, to the State of Indiana. No portion of the value of the Bond constitutes an asset of the Principal.

5. Notwithstanding paragraph 3, the Surety may in writing notify the Natural Resources Commission and Principal of the intention to terminate liability under the Bond. Service of the notification shall be as specified in 312 IAC 21-4-3. If, following notification, the Principal fails to obtain a substitute bond or to plug and abandon all test holes in a timely manner, the Surety shall either cause each such test hole to be properly plugged and abandoned or shall forfeit to the State of Indiana the principal sum of the Bond.

6. If a permit is revoked for any test hole under the Bond, the Principal shall cause all test holes under the Bond to be properly plugged and abandoned in a timely manner or shall forfeit to the State of Indiana the principal sum of the Bond.

7. Any action instituted with respect to the Bond shall be governed by the provisions of IC 14-37 and 312 IAC 17 et. Seq., or their successor chapter or rule, in effect when the action is instituted.

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<table>
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<th>Signature of Surety</th>
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Attach bond acknowledgement form
Form No. B1