

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service  
Minerals Revenue Management

Letter of Credit

Bank \_\_\_\_\_  
Bank Address \_\_\_\_\_  
Bank ABA Number \_\_\_\_\_  
Irrevocable Letter of Credit No. \_\_\_\_\_  
This Letter of Credit is effective \_\_\_\_\_.  
Expiration date is at close of business on \_\_\_\_\_.

Beneficiary:

Minerals Management Service  
Minerals Revenue Management  
Attn: Chief, Office of Enforcement  
DFC, Building 85, Room A-614  
Denver, Colorado 80225

Sir or Madam:

We hereby establish our irrevocable Letter of Credit in your favor and authorize drawing(s) on (Bank) \_\_\_\_\_ by order(s) and for account of (Company Name, Address) \_\_\_\_\_, \_\_\_\_\_ up to an aggregate amount of \$ \_\_\_\_\_ available by your drafts at sight accompanied by:

Beneficiary's statement certifying that: "The signer is a duly authorized official acting on behalf of the Minerals Management Service of the U.S. Department of the Interior and that the amount of the accompanying sight draft is due and payable to the Minerals Management Service of the U.S. Department of the Interior as a result of completion of final administrative adjudication of the appeal of (Bill Number(s)) \_\_\_\_\_ on (Date) \_\_\_\_\_ and further that (Company Name) \_\_\_\_\_ has for a period of more than 15 days neglected, failed, or refused to pay such amount although requested to do so by the Minerals Management Service of the U.S. Department of the Interior."

We hereby agree with bona fide holders that all drafts drawn under and in compliance with the terms of this credit shall meet with due honor upon presentation and delivery of documents as specified to the drawee if drawn and presented for negotiation on or before the expiration date.

It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for additional 1 year periods from the expiration date, unless 30 days prior to any expiration date, we notify you by registered mail that we elect not to consider this Letter of Credit renewed for any such additional period.

Such notice of our intention not to renew this Letter of Credit as provided for herein shall authorize you to draw upon this Letter of Credit, unless (Company Name) \_\_\_\_\_ provides you, at least fourteen (14) calendar days prior to the then current expiration date, with a replacement letter of credit with terms and conditions substantially identical to those contained herein.

We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without your written consent.

We will promptly notify you of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

In the event the Bank becomes unable to fulfill our obligations under this Letter of Credit for any reason, notice shall be given immediately to you.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 version), International Chamber of Commerce Publication No. 500. If this Letter of Credit expires during an interruption of business as described in Article 17 of said Publication No. 500, the bank hereby specifically agrees to effect payment if this Letter of Credit is drawn against within 30 days after the resumption of business.

IN WITNESS WHEREOF, the bank has hereunto set its signature and seal this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Issuing Bank)

\_\_\_\_\_  
(Authorized Officer)

ACKNOWLEDGMENT

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, a Notary Public in and for the County of \_\_\_\_\_, in the State of \_\_\_\_\_, appeared \_\_\_\_\_ to me personally known who, being by me duly sworn did say that he/she is \_\_\_\_\_ of \_\_\_\_\_, the bank named in and which executed the within instrument, and that the seal affixed to said instrument is the seal of said Bank, and that said instrument was signed, sealed and delivered in behalf of said Bank by authority of its Board of Directors, and he/she, as such, offer acknowledged said instrument to be the free act and deed set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month and year aforesaid.

My Commission Expires:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary Public in and for said  
County and State

The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected by the Minerals Management Service (MMS) to allow lessees, designees, or payors to stay the effectiveness of an order or decision by posting a surety instrument. We estimate the burden is 1 hour per Letter of Credit. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N.W., Washington, DC 20240 and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Desk Officer for the U. S. Department of the Interior, Washington, DC 20503. Proprietary information is protected by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b) (4)), the Indian Minerals Development Act of 1982 (25 U.S.C. 2103) and department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

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