

PLEDGE OF CERTIFICATE OF DEPOSIT

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

THIS AGREEMENT OF PLEDGE is given by \_\_\_\_\_ (operator name as established by Department of Conservation and Energy) as Pledgor, pursuant to the following terms and conditions:

Pledgor hereby agrees to and does pledge and deliver unto SECRETARY OF THE DEPARTMENT OF CONSERVATION AND ENERGY, State of Louisiana, as Pledgee, the following described:

One (1) certain Certificate of Deposit titled "Pledged CD by \_\_\_\_\_  
(name of operator)

FBO LA Department of Conservation and Energy" in the amount of

\$ \_\_\_\_\_, numbered and designated \_\_\_\_\_, Account  
No. \_\_\_\_\_,

in the name of Pledgor, deposited in the \_\_\_\_\_,  
(name of financial institution)

at \_\_\_\_\_,  
(mailing address)

payable \_\_\_\_\_.  
(maturity date)

The above described property pledged in this Agreement shall be used to secure the obligations of Pledgor as follows:

Pledgor is required to provide financial security acceptable to the Secretary to insure the proper plugging and abandonment of the wells, associated site restoration and response to emergencies for the wells and/or facilities listed on Exhibit "A" attached hereto. This pledge is made to guarantee compliance with that requirement and is payable to the SECRETARY OF THE DEPARTMENT OF CONSERVATION AND ENERGY. In accordance with La. C.C. Art. 3152, the Pledgor agrees that the Department of Conservation and Energy is the possessor of the pledge until all regulatory obligations of the Principal are satisfied and/or the Secretary releases all rights to the collateral at issue in accordance with the Law and the Regulations.

This pledge shall run continuously with the obligation of Pledgor to plug and abandon and shall remain in full force and effect until plug and abandonment and site restoration is completed and the

pledge is canceled or released in writing by the Pledgee or as otherwise provided by law. This pledge shall not be considered an asset of the Pledgor until all regulatory obligations of the Principal are satisfied and/or the Secretary releases all rights to the collateral at issue.

Pledgor shall become liable on this pledge obligation if and when Pledgor fails to perform his obligations to insure the proper plugging and abandonment of the wells, associated site restoration and response to emergencies.

The amount of the pledge is as expressed herein, but Pledgor takes notice that the amount of the financial security may be increased at the discretion of the SECRETARY OF THE DEPARTMENT OF CONSERVATION AND ENERGY. Upon notice from Pledgee, if an increase is required, Pledgor shall cause the financial security amount to be increased or shall otherwise provide the added pledge within sixty (60) days after notice.

IN WITNESS WHEREOF, the Pledgor has executed this agreement of pledge and delivered up the said Certificate of Deposit to Pledgee on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

WITNESSES:

\_\_\_\_\_  
(sign and print name)

\_\_\_\_\_  
PRINCIPAL (Operator Name)

\_\_\_\_\_  
(sign and print name)

BY: \_\_\_\_\_

Operator's Duly Authorized Officer

STATE OF \_\_\_\_\_

PARISH/COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the President of \_\_\_\_\_ and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors and the said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

Approved, accepted and executed by Pledgee at \_\_\_\_\_, Louisiana, this  
\_\_\_\_\_ day of \_\_\_\_\_.

By: \_\_\_\_\_

SECRETARY OF THE DEPARTMENT OF  
CONSERVATION AND ENERGY  
STATE OF LOUISIANA

STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me appeared  
\_\_\_\_\_, SECRETARY OF THE DEPARTMENT OF  
CONSERVATION AND ENERGY, STATE OF LOUISIANA, to me known to be the person described  
in and who executed the foregoing instrument, and acknowledged that he executed the same as his free  
act and deed.

\_\_\_\_\_  
Notary Public

### **RECEIPT**

The undersigned financial institution hereby acknowledges that this Certificate of Deposit shall be  
presumed to be in the possession of the Department of Conservation and Energy, not the Principal, until  
all regulatory obligations of the Principal are satisfied and/or the Secretary releases all rights to the  
collateral at issue in accordance with the Law and the Regulations on this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_\_. The financial institution agrees to provide confirmation of account  
balance annually if requested by the Department of Conservation and Energy or the Natural Resources  
Trust Authority.

BY: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

AUTHORIZED FINANCIAL INSTITUTION

**EXHIBIT A**

**Operator of Record:** \_\_\_\_\_ **Surety:** \_\_\_\_\_

**Performance Bond No.:** \_\_\_\_\_

**Wells Covered by Security**

<b>Well Name &amp; No.</b>	<b>Field</b>	<b>Serial Number*</b>


\*Serial Number required if Permit to Drill has been issued; otherwise, leave blank

## NOTICES

### Overnight or Physical Address

Louisiana Department of Conservation and Energy,  
 State of Louisiana  
 617 North Third Street  
 LaSalle Building, 9<sup>th</sup> Floor  
 Baton Rouge, LA 70802  
 Attn: Financial Security Department

If to the Bank:

Bank Name: \_\_\_\_\_

Address: \_\_\_\_\_  
 \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email: \_\_\_\_\_

Responsible Officer: \_\_\_\_\_

Responsible Officer email: \_\_\_\_\_

Responsible Officer phone: \_\_\_\_\_