DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES
Minerals & Mining Program
2050 West Main, Suite #1, Rapid City, SD 57702-2493
Telephone: 605-773-4201, FAX: 605-394-5317

FORM 3

PLUGGING AND PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, BOND NO._____

That we: _____as Principal
(Operator's Name) (Address) (State) (Zip)
and _____as Surety,
(Surety's Name) (Address) (State) (Zip)
a corporation organized and existing under the laws of the State of _____ and duly authorized to transact business in the State of South Dakota as surety, are held and firmly bound unto the State of South Dakota in the sum of (circle amount) $5,000 Individual or $20,000 Blanket, lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The condition of this obligation is that whereas the above bounden principal proposes to drill a well or wells for oil in and upon the following described land situated within the State, to wit (may be used as blanket bond or for single well):

NOW, THEREFORE, If the above bounden principal shall comply with all of the provisions of the laws of this State and the rules, regulations and orders of the Department of Environment and Natural Resources of this State, especially with reference to the proper plugging of said well or wells, and filing with the Department of Environment and Natural Resources of this State all notices and records required by said Department, and the restoration of the surface, in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, then this obligation shall be terminated by the Department, the same shall be and remain in full force and effect.

The Principal and Surety under this agreement hereby acknowledge that under the provisions of SDCL 34A-10-2.2 and 34A-10-2.3, all right and title in any surety bond shall be in the state until such time as the board, by order releases the surety bond. Such surety bond does not constitute an asset of the person required to provide it, and may not be cancelled, assigned, revoked, disbursed, replaced or allowed to terminate without board approval. This surety bond may not be assigned for the benefit of creditors, attached, garnished, levied or executed on, or subject to process issued from any court except for the purpose of enabling the state to effectuate environmental cleanup or remediation.

Penal sum of _____

Witness our hands and seals, this _____day of _____, 20_____

Principal: _____

_____

Witness our hands and seals, this _____day of _____, 20_____

Surety: _____

_____

If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When the principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.

DO NOT WRITE BELOW THIS LINE

Approved: _____	_____	_____
Signature	Title	Date