

IRREVOCABLE STANDBY LETTER OF CREDIT

BENEFICIARY: MONTANA BOARD OF OIL AND GAS CONSERVATION
2535 St. Johns Avenue
Billings, MT 59102

Telephone: (406) 656-0040

OPERATOR: _____

ADDRESS: _____

CITY/ST/ZIP _____

CONTACT NAME: _____ **Telephone #:** _____

To: Montana Board of Oil & Gas Conservation

We hereby establish our Irrevocable Standby Letter of Credit No. _____ in your favor, at the request and for the account of the above mentioned operator up to the aggregate amount of _____ US dollars, available upon presentation of this letter of credit, a draft, and a **Board Order** issued by the Montana Board of Oil & Gas Conservation, ordering payment of said funds. The format of said **Board Order** is on the back of this form as Exhibit A.

This letter of credit is effective as of (date) _____, and shall expire on (date at least 1 year later) _____. Such expiration date shall be automatically extended for a period of (at least 1 year) _____ on (date) _____, and each successive expiration date, unless, at least 120 days before the current expiration date, we notify both you and the operator by certified mail that we have decided not to extend this letter of credit beyond the current expiration date.

In the event you are so notified, any unused portion of the credit shall be available upon presentation of your Board Order, this letter of credit and a draft by the applicable expiration date. All drafts must be marked: "Drawn under _____ (bank) Irrevocable Standby Letter of Credit Number _____, Dated _____".

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such **Board Order**, and issue a check made payable to the **Montana Board of Oil and Gas Conservation** in accordance with your instructions.

Except as otherwise expressly stated herein, this Letter of Credit is subject to all applicable provisions of Uniform Customs and Practices for Documentary Credits, 1993 Revision, International Chamber of Commerce, Publication No. 500.

FINANCIAL INSTITUTION _____

ADDRESS _____

CITY/ST/ZIP _____ **Telephone #** _____

BY _____ **Date** _____

TITLE _____

Exhibit A

Financial Institution: _____

Irrevocable Standby Letter of Credit Number: _____ Date: _____

Before the Board of Oil & Gas Conservation
of the State of Montana

In the Matter of: _____ Board Order Number: _____

The Board of Oil and Gas Conservation of the State of Montana hereby orders the forfeiture of the bond for
_____. A check in the
amount of _____ US dollars shall be made payable and sent to:

Montana Board of Oil and Gas Conservation
2535 St. Johns Avenue
Billings, MT 59102

Done and performed by the Board of Oil and Gas Conservation of the State of Montana this _____
day of _____, _____.

By: _____

Its: _____

By: _____

Its: _____

By: _____

Its: _____