

U.S. DEPARTMENT OF THE INTERIOR  
Minerals Management Service  
Royalty Management Program

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  
Royalty Management Program  
Attn: Chief, Accounting and Reports Division  
DFC, Building 85, Room A-212  
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 \$ \_\_\_\_\_ (USD) 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 for all charges incurred under the terms and conditions of Royalty Oil contract number (RIK Contract Number) \_\_\_\_\_ with (Company Name) \_\_\_\_\_.

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 6 month 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 hereby agree that if (Company Name)\_\_\_\_\_ files any petition under the bankruptcy laws of the United States, whether voluntary or involuntary, and if deliveries of Royalty Crude Oil under Royalty Oil contract number (Contract Number)\_\_\_\_\_ continue after the bankruptcy petition filing date, this Letter of Credit applies to all amounts due or which may become due the Minerals Management Service for any such deliveries.

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.

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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 small refiners to provide surety to the Federal government. We estimate the burden for this information collection including the associated recordkeeping 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, Minerals Management Service, 1849 C Street, NW, Washington, DC 20240. 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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