

**THE FOLLOWING LETTER MUST BE PRINTED ON
FINANCIAL INSTITUTION LETTERHEAD**

New York State Department of
Environmental Conservation
Bureau of Oil and Gas Regulation
625 Broadway, 3rd Floor
Albany, NY 12233-6500

Dear Sir or Madam:

(Financial Institution) holds Certificate of Deposit No. _____ for _____
(well owner) in the amount of \$_____ in escrow for the New York State Department of
Environmental Conservation. This account is in lieu of a well plugging bond for the above referenced well
owner, pursuant to Section 23-0305.8(k) of the New York State Environmental Conservation Law.

This Certificate of Deposit shall be automatically renewed for additional terms of one (1) year or
more unless the bank gives the Department of Environmental Conservation, Bureau of Oil and Gas
Regulation, State of New York at least ninety (90) days written notice of its intent to terminate the
Certificate at the end of any term. The bank shall also notify the Bureau ninety (90) days prior to taking
any action which would modify, cancel or allow the withdrawal of funds from the account other than
accrued interest.

The Department shall have the rights to draw on this Certificate of Deposit at any time to and
including the maturity date up to the aggregate amount, less any prior drafts by the Bureau, and hold it as
cash collateral guarantee if (well owner) fails to replace this Certificate of Deposit with other
acceptable financial security no later than ten (10) business days after being informed by the Bureau that
the bank has given its ninety (90) days written notice to terminate the credit, or if the (well owner) has
failed to plug and abandon its well(s) in accordance with New York State Department of Environmental
Conservation Law and its regulations.

Interest accruing to the account remains the property of the well owner.

Sincerely,

(authorized signature)
Bank Officer Name and Title
SIGNATURE MUST BE NOTARIZED