New York State Department of Environmental Conservation  
Division of Mineral Resources  
625 Broadway, 3rd Floor  
Albany, NY 12233-6500  

Dear Sir or Madam:

We hereby establish our Irrevocable Letter of Credit No. _________________ in the name of the New York State Department of Environmental Conservation (DEC) for the account of ________________________________
[Insert Well Owner and/or Operator Name] in an aggregate amount not to exceed $________________ (United States Dollars) available against your draft(s) at sight drawn on _______________________________________
[Insert Financial Institution Name and Full Address] bearing the clause “drawn under _______________________________________
[Insert Financial Institution Name] Irrevocable Letter of Credit No. _________________ “ and accompanied by a statement signed by a duly authorized official acting on behalf of the New York State Department of Environmental Conservation, certifying that “ the amount of the accompanying sight draft is due and payable to the Department of Environmental Conservation, State of New York. ________________________________
[Insert Well Owner and/or Operator Name] has failed to plug and abandon its well(s) in accordance with the New York State Environmental Conservation Law and its implementing regulation.” This Letter of Credit is in lieu of a Well Plugging Bond for the above referenced well owner and/or operator, pursuant to Section 23-0305.8(k) of the New York State Department of Environmental Conservation Law.

This Irrevocable Letter of Credit shall be automatically renewed for additional terms of one (1) year or more unless the bank gives the DEC at least ninety (90) days written notice of its intent to terminate the credit at the end of any term. DEC shall have the right to draw upon this Letter of Credit at any time up to and including the termination date, up to the aggregate amount, less any prior drafts by DEC, and hold it as a cash collateral guarantee if ________________________________
[Insert Well Owner and/or Operator Name] fails to replace this Letter of Credit with other acceptable financial security no later than thirty (30) business days after being informed by DEC that the Financial Institution has given its ninety (90) days written notice to terminate the credit at the end of the term, or otherwise upon sight draft of DEC.

We hereby engage with you that drafts drawn under and in compliance with the terms of this credit will be duly honored. Further, we certify that the amount of the credit herein established will not be amended without the written consent of DEC.

This Letter of Credit is subject to and governed by the laws of the State of New York.

Sincerely,

_____________________
[Authorized Signature]

_____________________
[Financial Institution Officer Name and Title; typed]  
[SIGNATURE MUST BE NOTARIZED]  
(4/2022)