

**Bureau of Land Management, Interior**

**§ 3186.3**

**§ 3186.2 Model collective bond.**

COLLECTIVE CORPORATE SURETY BOND

Know all men by these presents. That we, \_\_\_\_\_ (Name of unit operator), signing as Principal, for and on behalf of the record owners of unitized substances now or hereafter covered by the unit agreement for the \_\_\_\_\_ (Name of unit), approved \_\_\_\_\_ (Date) \_\_\_\_\_ (Name and address of Surety), as Surety are jointly and severally held and firmly bound unto the United States of America in the sum of \_\_\_\_\_ (Amount of bond) Dollars, lawful money of the United States, for the use and benefit of and to be paid to the United States and any entryman or patentee of any portion of the unitized land here-to-fore entered or patented with the reservation of the oil or gas deposits to 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, successors, and assigns by these presents.

The condition of the foregoing obligation is such, that, whereas the Secretary of the Interior on \_\_\_\_\_ (Date) approved under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181 *et seq.*, as amended by the Act of August 8, 1946, 60 Stat. 950, a unit agreement for the development and operation of the \_\_\_\_\_ (Name of unit and State); and

Whereas said Principal and record owners of unitized substances, pursuant to said unit agreement, have entered into certain covenants and agreements as set forth therein, under which operations are to be conducted; and

Whereas said Principal as Unit Operator has assumed the duties and obligations of the respective owners of unitized substances as defined in said unit agreement; and

Whereas said Principal and Surety agree to remain bound in the full amount of the bond for failure to comply with the terms of the unit agreement, and the payment of rentals, minimum royalties, and royalties due under the Federal leases committed to said unit agreement; and

Whereas the Surety hereby waives any right of notice of and agrees that this bond may remain in force and effect notwithstanding;

(a) Any additions to or change in the ownership of the unitized substances herein described;

(b) Any suspension of the drilling or producing requirements or waiver, suspension, or reduction of rental or minimum royalty payments or reduction of royalties pursuant to applicable laws or regulations thereunder; and

Whereas said Principal and Surety agree to the payment of compensatory royalty under the regulations of the Interior Department in lieu of drilling necessary offset wells in the event of drainage; and

Whereas nothing herein contained shall preclude the United States (from requiring an additional bond at any time when deemed necessary);

Now, therefore, if the said Principal shall faithfully comply with all of the provisions of the above-identified unit agreement and with the terms of the leases committed thereto, then the above obligation is to be of no effect; otherwise to remain in full force and virtue.

Signed, sealed, and delivered this \_\_\_\_\_ day of \_\_\_\_\_, in the presence of:

Witnesses:

\_\_\_\_\_  
(Principal)

\_\_\_\_\_  
(Surety)

**§ 3186.3 Model for designation of successor unit operator by working interest owners.**

Designation of successor Unit Operator \_\_\_\_\_ Unit Area, County of \_\_\_\_\_, State of \_\_\_\_\_, No. \_\_\_\_\_.

This indenture, dated as of the \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between \_\_\_\_\_, hereinafter designated as "First Party," and the owners of unitized working interests, hereinafter designated as "Second Parties,"

Witnesseth: Whereas under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181, *et seq.*, as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, approved a unit agreement \_\_\_\_\_ Unit Area, wherein \_\_\_\_\_ is designated as Unit Operator, and

Whereas said \_\_\_\_\_ has resigned as such Operator<sup>1</sup> and the designation of a successor Unit Operator is now required pursuant to the terms thereof; and

Whereas the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties, and obligations of Unit Operator under the said unit agreement;

Now, therefore, in consideration of the premises hereinbefore set forth and the

<sup>1</sup>Where the designation of a successor Unit Operator is required for any reason other than resignation, such reason shall be substituted for the one stated.

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promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the \_\_\_\_ unit agreement, and the Second Parties covenant and agree that, effective upon approval of this indenture by the (Name and Title of authorized officer, BLM) First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said unit agreement; said Unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

\_\_\_\_\_  
(Witnesses)

\_\_\_\_\_  
(Witnesses)

\_\_\_\_\_  
(First Party)

\_\_\_\_\_  
(Second Party)

I hereby approve the foregoing indenture designating \_\_\_\_ as Unit Operator under the unit agreement for the \_\_\_\_ Unit Area, this \_\_ day of \_\_\_\_, 19\_\_.

Authorized officer of the Bureau of Land Management.

[48 FR 26766, June 10, 1983. Redesignated at 48 FR 36587, Aug. 12, 1983, as amended at 51 FR 34604, Sept. 30, 1986]

§ 3186.4 Model for change in unit operator by assignment.

Change in Unit Operator \_\_\_\_ Unit Area, County of \_\_\_\_, State of \_\_\_\_, No. \_\_. This indenture, dated as of the \_\_ day of \_\_\_\_, 19\_\_, by and between \_\_\_\_ hereinafter designated as "First Party," and \_\_\_\_ hereinafter designated as "Second Party."

Witnesseth: Whereas under the provisions of the Act of February 25, 1920, 41 Stat. 437 30 U.S.C. secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Department of the Interior, on the \_\_ day of \_\_\_\_, 19\_\_, approved a unit agreement for the \_\_\_\_ Unit Area, wherein the First Party is designated as Unit Operator; and

Whereas the First Party desires to transfer, assign, release, and quitclaim, and the Second Party desires to assume all the rights, duties and obligations of Unit Operator under the unit agreement; and

Whereas for sufficient and valuable consideration, the receipt whereof is hereby acknowledged, the First Party has transferred, conveyed, and assigned all his/its rights

under certain operating agreements involving lands within the area set forth in said unit agreement unto the Second Party;

Now, therefore, in consideration of the premises hereinbefore set forth, the First Party does hereby transfer, assign, release, and quitclaim unto Second Party all of First Party's rights, duties, and obligations as Unit Operator under said unit agreement; and

Second Party hereby accepts this assignment and hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of said unit agreement to the full extent set forth in this assignment, effective upon approval of this indenture by the (Name and Title of authorized officer, BLM); said unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

\_\_\_\_\_  
(Witnesses)

\_\_\_\_\_  
(Witnesses)

\_\_\_\_\_  
(First Party)

\_\_\_\_\_  
(Second Party)

I hereby approve the foregoing indenture designating \_\_\_\_ as Unit Operator under the unit agreement for the \_\_\_\_ Unit Area, this \_\_ day of \_\_\_\_, 19\_\_.

Authorized officer of the Bureau of Land Management

PART 3190—DELEGATION OF AUTHORITY, COOPERATIVE AGREEMENTS AND CONTRACTS FOR OIL AND GAS INSPECTION

Subpart 3190—Delegation of Authority, Cooperative Agreements and Contracts for Oil and Gas Inspections: General

- Sec.
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3190.2-1 Recordkeeping.
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