

**North Carolina Department of Environment and Natural Resources
Division of Energy, Mineral, and Land Resources
Energy Section - Oil and Gas Program**

Oil & Gas Program Use Only	
Date:	<input type="text"/>
Received by:	<input type="text"/>
Document ID:	<input type="text"/>

**Form
7**

Rev 03/2015

1612 Mail Service Center, Raleigh, NC 27699-1612
Phone: (919) 707-9220
Fax: (919) 715-8801
Email: DEMLRoilandgas@ncdenr.gov

Irrevocable Letter of Standby Credit

15A NCAC 05H .1402

Letter of Credit Number: _____

Effective Date: _____

Credit Amount: _____

Issuing Institution:

Company Name

Address

City State Zip Code

County

Beneficiary:

State of North Carolina
Department of Environment and Natural Resources
Oil and Gas Program
1612 Mail Service Center
Raleigh, North Carolina 27699-1612

Applicant/Permittee:

Applicant or Permittee Name

Address

City State Zip Code

County Email Address

Telephone Number Fax Number

[Empty box for Applicant or Permittee Name]

(1) This Irrevocable Standby Letter of Credit is issued to the Department of Environment and Natural Resources in lieu of the surety bond required to be filed by the applicant or permittee.

(2) The undersigned hereby establishes its Irrevocable Standby Letter of Credit in favor of the Department of Environment and Natural Resources, for the account of _____

Applicant/Permittee Name

for the amount of _____ Dollars _____ dollars and no 100's (\$): _____ \$

, available by the Department of Environment and Natural Resources draft(s) drawn on sight.

(3) This Irrevocable Standby Letter of Credit shall expire on _____ (date at least one (1) year from effective date)

The expiration date shall be extended automatically for a period

of _____ on _____ and _____ (one year or more) (expiration date)

on each successive expiration date, unless, at least sixty (60) days prior to the expiration date, the undersigned notifies the Department of Environment and Natural Resources and the applicant/permittee by certified mail, return receipt requested that the undersigned will not extend this letter of credit beyond the current expiration date. If the undersigned notifies the Department of Environment and Natural Resources that this letter of credit will not be extended, any unused portion of the credit shall be available upon presentation of the Department of Environment and Natural Resources sight draft within sixty (60) days after the Department of Environment and Natural Resources or the applicant's/permittee's receipt of such notification, whichever is later.

(4) This Irrevocable Standby Letter of Credit is non-transferable.

(5) Draft(s) shall be marked "Drawn Under _____ (Issuing Institution)

Credit Number _____ " and shall include the following documentation:

(a) A signed certificate by the Department of Environment and Natural Resources, referring to the effective date and number of this Irrevocable Standby Letter of Credit, and stating that:

"We have received a notice of forfeiture of part or all of the bond amount. The amount of our drawing does not exceed the amount of the forfeiture as set forth in such notice."

-or-

(b) A signed certificate by the Department of Environment and Natural Resources, referring to the effective date and number of this Irrevocable Standby Letter of Credit, and stating that:

"We have received from _____ (Issuing Institution)

written notice stating (1) that this Irrevocable Standby Letter of Credit has not been renewed; and (2) that the amount of our drawing does not exceed the bond amount, less any previous forfeitures thereunder, pursuant to notices received in accordance with 15A NCAC 05H .1407."

-or-

(c) A signed certificate by the Department of Environment and Natural Resources, referring to the effective date and number of this Irrevocable Standby Letter of Credit, and stating that:

"We have received from _____
(Issuing Institution)

written notice stating (1) that there exists an event of default under the credit agreement (as defined in the Irrevocable Standby Letter of Credit); (2) that a drawing should be made under this Irrevocable Standby Letter of Credit; and (3) that the amount of the drawing does not exceed the bond amount, less any previous forfeitures there under, pursuant to notices received in accordance with 15A NCAC 05H .1407."

(6) This Irrevocable Standby Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication Number 600 and the laws of the State of North Carolina. In the event of any conflict, the laws of the State of North Carolina will control.

(7) _____
(Issuing Institution)

hereby agrees with the drawers, endorsers, and bona fide holders that all drafts drawn under and in compliance with the terms of this Irrevocable Standby Letter of Credit will be duly honored upon presentation to this bank/issuing institution.

(Issuing Institution)

By: _____

Title: _____

Date: _____

Sworn and subscribed to before me this _____ day of _____, 20 _____

Notary Public

My commission expires (Affix Seal)

Seal