

CONTRACTOR'S PERFORMANCE AND PAYMENT BOND

We, _____ as Principal, and _____ as Surety, jointly and severally, bind ourselves, our heirs, representatives, successors and assigns to the

State of North Dakota
Industrial Commission
Oil & Gas Division
600 East Boulevard
Bismarck, North Dakota 58505

hereafter Commission, for payment of the penal sum of _____ dollars (\$_____), and an amount at least equal to the contract price. The Commission has awarded Principal a contract for the plugging of the following wells:

Grenora-Madison Unit #1
SWNW Sec. 28-T159N-R103W
Williams County, ND
Well File No. 2864

Grenora-Madison Unit #3
SW SW Sec. 29-T159N-R103W
Williams County, ND
Well File No. 3062

Grenora-Madison Unit #5
SWSW Sec. 28-T159N-R103W
Williams County, ND
Well File No. 3082

Grenora-Madison Unit #11
SWSE Sec. 31-T159N-R103W
Williams County, ND
Well File No. 3631

If Principal fails to pay demands of subcontractors or if Principal or any subcontractors of Principal fail to pay all bills and claims on account for work or labor performed under the contract, or fail to pay for materials, including supplies used for machinery and motor power equipment furnished and used in and about performance of the contract, or fail to pay any amounts required to be deducted, withheld, and paid to the state from the wages of employees of Principal and Principal's subcontractors, with respect to such work and labor, then Surety will pay the same in an amount not exceeding the sum specified above. For all bills and claims not paid within ninety days, surety will pay interest in the amount authorized under Section 13-01-14 of the North Dakota Century Code. This bond shall inure to the benefit of any person performing work or providing materials for the Principal or Principal's subcontractors under this contract, so as to give a right of action to them or their assigns in any suit brought on this bond.

If the Principal and any subcontractors of Principal fail to fully perform all terms of the contract, and any alteration thereof, at the time and in the manner specified by the contract, or fail to indemnify and save harmless the Commission, the Commission's representatives, their consultants, and each of their directors, officers, employees, and agents from any and all liability connected with the contract, then Surety will pay the penal sum set forth above. The Commission's rights under this paragraph have priority over the rights

given in the preceding paragraph.

Surety agrees that no change, extension of time, alteration, or addition to the terms of the contract, or to the work to be performed thereunder, or to the plans and specifications shall in any way affect its obligation on this bond, and it does hereby waive notice thereof.

Surety agrees that performance required by Principal under the contract includes the requirement that Principal pay, or cause to be paid, all sales and use taxes as payable as a result of the performance of the contract, as well as the payment of gasoline and special motor fuel taxes used in the performance of the contract, and all motor vehicle fees required for commercial motor vehicles used in connection with performance of the contract. Surety understands that, under Section 48-01-06 of the North Dakota Century Code, it cannot be released or discharged from this bond until Principal has paid or caused to be paid the taxes and fees mentioned above.

Surety agrees that Principal has made, or will make, prior to the commencement of any work by Principal or any subcontractor under the contract, full and true report to the North Dakota Worker's Compensation Bureau of the payroll expenditures for the employees to be engaged in such work, and that Principal has paid, or will pay, the premium thereon prior to commencement of such work.

Principal and Surety agree that should the Commission become a party to any action or dispute on this bond that they will pay the Commission's reasonable attorney's fees incurred, with or without suit, in addition to the sum set forth above.

_____, 2009

Principal

(seal if
Corporation)

By: _____

Title: _____

Any claims under this bond may be addressed to:

_____ (name and address of Surety)

_____ (name and address of Surety's agent for service of process
in North Dakota, if different from above)

_____ (telephone number of Surety's agent in North Dakota)

Surety

By: _____
Attorney-in-Fact

ACKNOWLEDGMENT

State of _____

County of _____

This bond was acknowledged before me by _____
as Attorney-in-Fact on behalf of Surety.

Dated this ___ day of _____, 2009

Notary Public

Notice

No substitution or revision to this bond form will be accepted. Sureties must be authorized to do business in and have an agent for service of process in North Dakota. For the agent signing this bond on behalf of Surety, a certified copy of such agent's Power of Attorney must be attached.