

OIL & GAS LEASE OPERATOR/ NON-OPERATOR QUESTIONNAIRE

1. Name of Applicant: _____
2. Years of experience as a lease operator _____
(If this is a new venture, please include details of the applicant's experience, including a copy of the applicant's resume or a summary of the applicant's professional qualifications.) _____

GENERAL INFORMATION:

3. Number of Employees _____
4. Estimated Gross Sales: _____ Estimated Gross Payroll: _____
5. Does the applicant lease any employees? No Yes
If "Yes," please explain _____

6. Applicant is: (Check all that apply)
- An investor owning a non-operating working interest in oil and/or gas wells.
 - An operator of record managing lease operations for working interest owners.
 - An operator of record that utilizes a contract lease operator.
 - A lease operator by contract who does not have a working interest in the wells.
 - A lease operator by contract with a working interest in the wells.
 - An operator or non-operator of a gas plant(s) or co-generation plant(s).
 - An operator or non-operator of pipeline(s) (other than gathering lines)
 - A promoter selling drilling prospects to operators for a carried interest in the wells.
7. Does the applicant carry Workers' Compensation Insurance? No Yes
8. What Control of Well limits does the applicant carry? Specify Limits Purchased: _____
- a. Does the applicant's Control of Well policy include pollution coverage? No Yes
 - b. Does it cover all drilling wells? No Yes
 - c. Does it cover all other wells in which the applicant has an interest? No Yes

OPERATOR: (Complete this section only if it pertains to your operations)

Please complete the well schedule or provide a schedule of the wells

1. Number of Producing wells:

State	Oil	Gas	Saline	Shut-In	Average Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

2. Number of Plugged or Abandoned wells:

State	Oil	Gas	Saline	Shut-In	Average Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

3. Number of Wells to be drilled:

State	Oil	Gas	Estimated Depth	Vertical	Horizontal
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

If you have Salt Water Wells, please complete a Salt Water Supplemental Application.

4. Does the applicant maintain an approved contractors list? No Yes

5. How are the drilling operations contracted? IADC API Other (attach copy)
 Footage _____% Daywork _____% Turnkey _____%

6. How are servicing operations contracted?
 a. Master Service Agreements No Yes
 If yes, what form of MSA do you use? IADC API Other (attach copy)
 b. Well Service Contracts No Yes
 c. Job Order/Purchase Orders No Yes

7. Does the applicant's servicing contracts contain the following?
 a. Requirement to provide certificates of insurance from all contractors and subcontractors? No Yes
 b. Contractors are required to include a Waiver of Subrogation in applicant's favor? No Yes
 c. Contractors are required include applicant as an Additional Insured? No Yes
 d. Hold harmless agreements in applicant's favor? No Yes

8. Do you require contactors and subcontractors to purchase the following:
 a. Comprehensive General Liability? No Yes
 b. Contractual Liability? No Yes
 c. Completed Operations? No Yes
 d. Coverage for Explosion? No Yes
 e. Coverage for Blowout & Cratering? No Yes
 f. Coverage for Underground Resources? No Yes
 g. Coverage for Saline Contamination? No Yes

9. What limits of liability are required of contractors and subcontractors? _____

10. Are all well sites fenced in (including pump jacks, tank batteries, separators, etc.)? No Yes

11. Do you own or operate any storage tanks? No Yes
 a. Number of tanks: _____
 b. Sizes and capacities? _____

- c. Are all pressure tanks constructed in accordance with ASME or Apt Unfired Pressure Vessel Codes, U66 or U69? No Yes
- d. Are they fully dyked? No Yes
- e. Are there any secondary recovery operations? No Yes

12. What is the amount the applicant expects to spend as an operator on independent contractors for:

Lease work: _____
 Work over: _____
 Drilling: _____

- 13. Are there any wells within the city or town limits? No Yes
- 14. Are there any wells within 1000 feet of any other structure? No Yes
- 15. Are there any wells in or near railroad right-of-ways? No Yes
- 16. Are there any wells located within oceans, gulfs, or bays? No Yes
- 17. Are there any wells within inland waterways, lakes or marsh areas? No Yes
- 18. Are there any livestock on the lease area? No Yes
- 19. Are there any H2S wells? No Yes
- 20. Does the applicant own any geophysical exploration or well-servicing mobile equipment that is not covered under their automobile liability policy? *(if so, attach schedule)* No Yes

NON-OPERATOR: (Completed this section only if it pertains to your operations)

- 1. Do you obtain certificates of insurance from the operator? No Yes
- 2. Are you named as an Additional Insured on the operator's policy? No Yes
- 3. Are there any wells located within oceans, gulfs or bays? No Yes
- 4. Are there any wells within inland waterways, lakes or marsh areas? No Yes
- 5. Are there any H2S wells? No Yes
- 6. Indicate the number of non-operated wells with 0-25% working interest:

State	Oil	Gas	Saline	Shut-In	Average Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

7. Indicate the number of non-operated wells with 26-50% working interest:

State	Oil	Gas	Saline	Shut-In	Average Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

8. Indicate the number of non-operated wells with more than 50% working interest:

State	Oil	Gas	Saline	Shut-In	Average Depth
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

9. Indicate the number of wells to be drilled as a non-operator:

State	Oil	Gas	Est. Depth	Vertical	Horizontal
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

PIPELINE INFORMATION:

Gathering pipelines: Group of smaller interconnected pipelines forming complex networks with the purpose of bringing crude oil or natural gas from several nearby wells to a treatment plant or processing facility. In this group, pipelines are usually short, a couple hundred meters, and with small diameters.

Transportation pipelines: Mainly long pipes with large diameters, moving products (oil, gas, refined products) between cities, countries and even continents. These transportation networks include several compressor stations in gas lines or pump stations for crude and multi-products pipelines.

Distribution pipelines: Composed of several interconnected pipelines with small diameters, used to take the products to the final consumer. Feeder lines to distribute gas to homes and businesses downstream. Pipelines at terminals for distributing products to tanks and storage facilities are included in this group.

1. Type of Pipeline: _____

2. Gross Revenues: _____

3. Who Operates System: _____

4. Location: _____

5. Length (%): Above ground: _____ Below ground: _____

6. Diameter: _____ Age: _____

7. Miles:
 a. Transmission: _____
 b. Gathering: _____
 c. Main/Distribution: _____

8. What is the maximum allowable pressure? _____

9. Does the pipeline transport only your product? No Yes

10. What does pipe transport: Oil _____ Gas _____ Other: _____

11. Do you operate or have any working interest in gas processing, gasoline recovery plants, or gas sweetening plants? No Yes
 If yes, please explain: _____
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12. Does the pipeline supply any residential house or farm users? No Yes
 If yes, how many? _____
13. Does the pipeline supply any commercial building customers? No Yes
 If yes, how many? _____
14. Is there a written hold harmless agreement in the applicant's favor? No Yes
15. Who is responsible for odorizing gas? Applicant _____ Third party _____
16. Does the applicant do any hookups, install meters, monitoring? No Yes
17. Does the applicant do any installation of storage tanks? No Yes
18. Does the pipeline cross any:
- a. Roads: No Yes
 - b. Railroads: No Yes
 - c. Waterways: No Yes
 - d. Populated Areas: No Yes

If yes provide details: _____

19. Is the pipeline inspected on a regular basis? No Yes
 If yes, how often? _____
 When was last inspection? _____
 What inspection practices do you undertake? _____

20. Explain emergency shut down procedures:

GENERAL FRAUD STATEMENT

(Not applicable in the states mentioned below where a specific warning applies.)

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, may be committing a fraudulent insurance act, and may be subject to a civil penalty or fine.

Arkansas, Louisiana, Maryland, New Mexico, Rhode Island, West Virginia

Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Florida

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kentucky

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

New Jersey

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York

Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.

Ohio

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Pennsylvania

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Maine, Tennessee, Virginia, Washington

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Signatures

I declare to the best of my knowledge that all statements herein are true and no material facts have been suppressed or misstated. I am also aware that my operation may be inspected by the Insurance Company.

Applicant's Signature Date

Agent's or Broker's Name (Please print) Telephone Number Agents Signature

License No. Date