

## Attachment 1

### MODEL DOCUMENT FOR THIRD-PARTY GUARANTEES

The MMS developed the following model third-party indemnity agreement. Executing this document will meet the requirements of 30 CFR 256.57 for a third-party guarantee. You may execute this document or you may modify the document. If you choose to modify this document, MMS will review your modifications and will allow you to use the modified document if MMS determines that the modified document meets all of the requirements of 30 CFR 256.57.

#### THIRD-PARTY INDEMNITY AGREEMENT

This THIRD-PARTY INDEMNITY AGREEMENT, made and entered into this (day) day of (month), (year), by (Guarantor Company Name), MMS Company Number (#), (Guarantor) for the benefit of the MINERALS MANAGEMENT SERVICE of the UNITED STATES DEPARTMENT OF THE INTERIOR (MMS) provides for the following:

I. By signing this document, the undersigned attests to the following:

A. If a party to this agreement is a corporation, it is incorporated and in good standing under the laws of the State of (State) and has all corporate power, authorizations, consents, and approvals required to carry on its business as is now conducted and to enter into this agreement.

B. If a party to this agreement is a corporation, the undersigned include corporate officers who are authorized to bind the corporation.

C. The undersigned are authorized to execute, deliver, and perform under the terms of this agreement on behalf of any non-corporate guarantor.

D. This agreement does not contravene or constitute a default under any provisions of applicable law or regulation or of its charter, certificate of incorporation or bylaws or any agreement, judgment, injunction, order, decree or other instrument to which it may be subject.

II. The Guarantor agrees to the following provisions

A. The Guarantor will punctually satisfy (check one)

- ☐ the performance and compliance by (Name of Indemnified Company), MMS Company Number       , (Indemnified company) with the terms and conditions of the lease and governing Federal regulations for all leases in the        OCS Region for which the indemnified company has a lease interest or an operating interest.
- ☐ the performance and compliance by (Name of Indemnified Company), MMS Company Number       , (Indemnified company), with the terms and conditions of the lease and governing Federal regulations for lease number                                 .

- the performance and compliance by (Name of Indemnified Company), MMS Company Number \_\_\_\_\_, (Indemnified company) with the terms and conditions of the lease and governing Federal regulations for lease number \_\_\_\_\_ for an amount not to exceed \_\_\_\_\_.

B. If MMS notifies the Guarantor that the indemnified company, the indemnified company's operator, or an operating rights owner has failed to comply with any lease term or regulation, the Guarantor will:

- (1) not challenge the determination, and
- (2) either:
  - i) Take corrective action to bring the lease into compliance within the time period specified by MMS, or
  - ii) Provide within 7 calendar days, sufficient funds to permit the MMS Regional Director to complete corrective action.

C. When a Guarantor complies with this agreement by correcting a problem or paying for a third party or for MMS to correct a problem, that compliance will not reduce the Guarantor's liability for remaining obligations.

D. If this agreement is terminated, the Guarantor will remain liable for all work and workmanship performed and liabilities that accrued during the period that this Third-Party Guarantee was in effect until such time that the indemnified company provides alternate security for the obligation and MMS releases the Guarantor from further liability.

E. If the Guarantor wishes to terminate the period of liability under this guarantee, the Guarantor must:

- (1) Notify the indemnified company and the MMS Regional Director at least 90 days before the proposed termination date,
- (2) Obtain the MMS Regional Director's approval for the termination of the period of liability for all or a specified portion of the Guarantor's Guarantee, and
- (3) Remain liable for all work and workmanship performed and liabilities that accrued during the period that this Third-Party Guarantee was in effect until such time that the indemnified company provides a replacement bond assuming all outstanding liabilities and in an amount no less than the guarantee herein and MMS releases the Guarantor from further liability.

F. If a party to this agreement is a partnership, joint venture, or syndicate, the Indemnity

Agreement binds each partner or party who has a beneficial interest in the Guarantor.

G. Each party who is a guarantor under this agreement agrees to be bound jointly and severally for the undertakings herein.

III. If during the life of the third-party guarantee, the guarantor no longer meets the criteria established in 30 CFR 256.57(a)(3) and 30 CFR 256.57(c)(3), the guarantor and the indemnified company will notify the MMS Regional Director immediately.

**GUARANTOR**

(Affix Corporate Seal)	<u>(company name)</u> <b>GUARANTOR</b>
<u>(signature)</u> <b>CORPORATE OFFICIAL</b>	<u>(signature)</u> <b>CORPORATE OFFICIAL</b>
<u>(typed signer's name)</u> <b>TYPED NAME</b>	<u>(typed signer's name)</u> <b>TYPED NAME</b>
<u>(typed signer's title)</u> <b>TYPED TITLE</b>	<u>(typed signer's title)</u> <b>TYPED TITLE</b>

Witness my hand and notary seal this (day) day of (month), (year).

(Affix Notary Seal)	<u>(signature)</u> <b>NOTARY PUBLIC NAME</b>
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**INDEMNIFIED COMPANY**

(Affix Corporate Seal)

\_\_\_\_\_  
(signature)  
**CORPORATE OFFICIAL**

\_\_\_\_\_  
(typed signer's name)  
**TYPED NAME**

\_\_\_\_\_  
(typed signer's title)  
**TYPED TITLE**

Witness my hand and notary seal this (day) day of (month), (year).

(Affix Notary Seal)

\_\_\_\_\_  
(company name)  
**INDEMNITOR**

\_\_\_\_\_  
(signature)  
**CORPORATE OFFICIAL**

\_\_\_\_\_  
(typed signer's name)  
**TYPED NAME**

\_\_\_\_\_  
(typed signer's title)  
**TYPED TITLE**

\_\_\_\_\_  
(signature)  
**NOTARY PUBLIC NAME**