

Roush Insurance Services, Inc.

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OIL LEASE OPERATOR/NON-OPERATOR SUPPLEMENTAL APPLICATION

PLEASE ANSWER ALL QUESTIONS COMPLETELY
ATTACH TO ACORD COMMERCIAL GENERAL LIABILITY APPLICATION

NOTICE: For certain policies and coverage parts issued, the limit of liability available to pay judgments or settlements shall be reduced by amounts incurred for legal defense. Further note that amounts incurred for legal defense shall be applied against the deductible or retention amount.

In addition to completing the following, the Applicant must provide each of the following:

- A complete schedule of all proposed Named Insureds, including a complete description of all operations for each.
- A complete schedule of all existing wells as operator and as non-operator, including state, county, total depth, lease block (if applicable), working interest and status (producing, shut-in, etc.).
- A complete schedule of estimated drilling activity for the next 12 months, including state, county, total depth and working interest.
- Separate schedules of town sites, H2S, saltwater disposals, injection, "wet" location wells, and "horizontal" wells, if any.
- Schedule of all gas processing, distillation and / or sweetening plants.
- Schedule of all transmission or distribution pipelines and associated compressor stations.
- Schedule of all offshore facilities, if any.

A. APPLICANT INFORMATION

Applicant:		Date:	
Address:		Phone:	
City:	State:	Zip Code:	
Phone:	Company Website:	D&B No.	

Form of Business: Individual Partnership Corporation Joint Venture
 Other (describe):

B. OPERATIONS

1. How long has the Applicant been in business?
2. Safety / Inspection Contact: Phone: Fax:
3. Are audited financial statements available? Yes No
 If no, please explain:
4. Number of employees:
5. Does the Applicant lease any employees? Yes No
 If yes, please explain:
6. Estimated annual payroll: \$
7. Estimated Annual Gross Revenue: Prior 12 Months Gross Revenue:
 Domestic: \$ \$
 Foreign: \$ \$

Note: For operations other than operator / non-operator, provide a schedule of revenues for each entity.

8. Does the Applicant carry Workers' Compensation insurance in compliance with the applicable state Workers' Compensation Act? Yes No
9. Has any carrier cancelled or declined to renew within the last 5 years? Yes No
10. Is the Applicant:
- a. An **operator of record** owning working interest in wells, who manages lease operations for his co-owners of the working interest? Yes No
 - b. An **operator of record** owning working interest in wells, who utilizes a contract operator to manage lease operations? Yes No
 - c. An **operator of record** not owning working interest in wells, who utilizes a contract operator to manage lease operations? Yes No
 - d. A **promoter** selling drilling prospects to operators for a carried interest in the wells? Yes No
 - e. A **lease operator by contract** who does not have a working interest in the wells? Yes No
 - f. An **investor** owning a non-operating working interest? Yes No
 - g. An **operator** which has any service contractor subsidiary? Yes No
 - h. A **service contractor**? Yes No
11. Is Non-Owned Auto coverage desired? Yes No
- If yes, please complete the Hired and Non-Owned Automobile Liability Supplemental Application.

C. AS OPERATOR

1. How many years' experience?
2. How are drilling / work over operations contracted?
- a. Day work: IADC API
 - b. Footage: IADC API
 - c. Turnkey: IADC API
 - d. Other (Attach copy)
3. How are servicing operations contracted?
- a. Master Service Agreement (MSA)? Yes No
If yes, what type is used: IADC AOSC API Other (attach copy)
 - b. Well Service Contract? Yes No
If yes, attach copy.
 - c. Individual job order / purchase order? Yes No
4. What limits of insurance are required of contractors and subcontractors?
- a. Commercial General Liability \$
 - b. Auto Liability \$
 - c. Employer's Liability \$
 - d. Other \$
5. Does the Applicant require contractors and subcontractors to purchase the following:
- a. Commercial General Liability? Yes No
 - b. Contractual Liability? Yes No
 - c. Completed Operations? Yes No
 - d. Coverage for Explosion "X"? Yes No
 - e. Coverage for Blowout and Cratering "E"? Yes No
 - f. Coverage for Underground Resources "D"? Yes No
 - g. Coverage for Saline Contamination "W"? Yes No

6. Are Certificates of Insurance required? Yes No
 If yes, are they kept on file? Yes No
 If yes, where?

7. Does the Applicant require a Waiver of Subrogation from each driller and work over contractor? Yes No

8. Does the Applicant require to be added as an Additional Insured on contractors' and subcontractors' policies? Yes No

9. Does the Applicant maintain an approved contractor's list? Yes No

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

11. Is there any livestock in the lease area? Yes No

12. Does the Applicant do site preparation? Yes No

13. Are there any secondary recovery operations? Yes No

14. What is the amount the Applicant expects to spend as operator on independent contractors for:
 Lease work: \$ Work over: \$ Drilling: \$

15. Indicate the number of **producing, saline and shut in wells** as a lease operator:
 State Oil Gas Saline Shut-In Average Depth

16. Indicate the number of **plugged and abandoned wells** as a lease operator:
 State Oil Gas Saline Shut-In Average Depth

17. Indicate the number of **wells to be drilled** as a lease operator:
 State Estimated Depth Vertical Horizontal

18. Any wells within city or town limits? Yes No
 If yes, provide the following information:

<u>Name</u>	<u>Location</u>	<u>Fenced</u>	<u>Surrounding Exposure</u>	<u>Diked</u>
		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No

19. Total number of wells: (Enter number of each below. If none, enter N/A.)

- a. Located within oceans, gulfs or bays:
- b. Within inland waterways, lakes or marsh areas:
- c. In or near railroad right-of-ways:
- d. Hydrogen wells:

20. Does the Applicant operator have a working interest in any gas processing, gasoline recovery plants or gas sweetening plants? Yes No

If yes, provide details:

D. AS NON-OPERATOR

1. How many years' experience?
2. Are Certificates of Insurance available from the operator of the well? Yes No
3. Does the operator's policy have an Additional Insured – Working Interest Endorsement? Yes No
4. Is the Applicant named as an Additional Insured on the operator's policy? Yes No
5. Indicate the number of non-operated wells **with 0 – 25% working interest:**

State Oil Gas Saline Shut-In Average Depth

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

State Oil Gas Saline Shut-In Average Depth

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

State Oil Gas Saline Shut-In Average Depth

8. Indicate the number of **wells to be drilled** as non-operator

State Estimated Depth Vertical Horizontal

WARRANTY STATEMENT

The undersigned authorized officer of the Applicant declares that the statements set forth herein are true. The undersigned authorized officer agrees that if the information supplied on the application changes between the date of the application and the effective date of the insurance, he/she (undersigned) will immediately notify the insurer of such changes, and the insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. Signing of this application does not bind the Applicant to the insurer to complete the insurance.

NOTICE TO APPLICANTS: 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 fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties.

I warrant that the information contained in this application is true and that it will form the basis of and be incorporated into the final policy, if issued.

Name of Applicant

Title

Signature of Applicant

Date