

ROYALTY-IN-KIND CONTRACT SURETY BOND
Form MMS-4072

ROYALTY-IN-KIND CONTRACT SURETY BOND (See Instructions)	DATE BOND EXECUTED	BOND NO:
PRINCIPAL (Legal name and business address, including county)	PRINCIPAL'S TYPE OF ORGANIZATION <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> CORPORATION	
	STATE OF INCORPORATION	
SURETY (name and business address, including county)	STATE LICENSE TO TRANSACT SURETY BUSINESS	
	STATE OF INCORPORATION	

RECITALS

1. Principal and surety are bound to Minerals Management Service (MMS) in the sum of _____ United States Dollars (\$ _____), for the payment of which principal and surety jointly and severally bind themselves, their successors, assigns, and legal representatives.

2. Successful execution of this bond is necessary before the principal and MMS can enter into Royalty-In-Kind (RIK) Contract Number _____, herein called the original contract, which will have an effective date of _____ and will be executed in the Denver Federal Center, County of Jefferson, State of Colorado.

SECTION ONE
DURATION

This obligation shall run continuously and shall remain in full force and effect until and unless the bond is terminated and canceled as provided herein or as otherwise provided by law.

SECTION TWO
LIMITATION

This bond covers only the original contract and any extensions thereof that are granted by MMS including the time period needed for MMS to reconcile the contract, with or without notice to surety and during the life of any guaranty required under the contract.

SECTION THREE
CONDITION OF OBLIGATION

If principal fully performs its obligation(s) under the contract and any extensions thereof that are granted by MMS including the contract reconciliation period, this obligation shall be void; otherwise this obligation shall remain in full force and effect, subject only to the provisions of this bond.

SECTION FOUR
NOTICE

The surety is liable upon discovery by MMS and notification to surety of any fact or circumstance showing a claim hereunder.

SECTION FIVE
TERMINATION

Surety may terminate its obligation hereunder by notifying MMS by registered letter 30 or more days prior to the termination date, but such notice shall not affect this agreement in respect to any obligation which may have arisen prior to the termination date.

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SECTION SIX
 EXTENT OF LIABILITY

The maximum amount of the liability of surety by virtue of this obligation shall be
 United States Dollars (\$ _____), plus accrued interest due on this amount.

SECTION SEVEN
 MODIFICATION OF ORIGINAL CONTRACT

Any deviations from, additions to, extensions of, or modifications in the obligations of the original contract may be made without the consent or knowledge of surety and without in any way releasing surety from liability under this bond.

SECTION EIGHT
 SEVERABILITY

If any one or more of the provisions of this bond are determined to be illegal or unenforceable by a court of competent jurisdiction, all other provisions shall remain effective.

SECTION NINE
 BINDING EFFECT OF AGREEMENT

This bond shall be binding on surety and its successors, assigns, and legal representatives.

In witness whereof, principal and surety have executed this bond and affixed their seals at _____ (designated place of execution) on _____.

Principal				
Signature (S)	1.	2.	3.	Corporate Or Notary Seal
Name(s) & Title(s) (Typed)	1.	2.	3.	

Acknowledgement (required for notary seal):

Subscribed to and sworn to before me this _____ day of _____.

 Notary Public

 Address (business or residence)

My commission expires: _____

CORPORATE SURETY

NAME & ADDRESS			LIABILITY LIMIT
SIGNATURE(S)	1.	2.	Corporate Seal
NAME(S) & TITLE(S) (Typed)	1.	2.	

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INSTRUCTIONS

This form is authorized for use in connection with MMS Royalty-In-Kind contracts. Any deviation from this form will require the written approval of the Program Director for RIK, MMS.

Corporations executing the bond as sureties must appear on the Department of the Treasury's list of the approved sureties and must act within the limitation listed therein.

An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

Type the name and title of each person signing this bond in the space provided. Corporate or notary seals must be affixed as applicable. Notary seals require acknowledgment.

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that we collect this information to allow small refiners to provide surety to the Federal government. The MMS uses the information to collect monies from financial institutions if the small refiners do not report and pay. Responses are mandatory to obtain a benefit [30 CFR 208.11(a)]. Proprietary information is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act [5 U.S.C. 552(b), (4)], and the Department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average 10 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the Information Collection Clearance Officer, Minerals Management Service, Mail Stop 4230, 1849 C Street, NW., Washington, DC 20240.