

## Attachment 1

### MODEL THIRD PARTY INDEMNITY

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 indemnity. You may execute this document as is or you may modify this document. If you choose to modify this document, MMS will review your modifications and may approve the modified document upon a determination 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 (entity name), MMS Company Number (#), (Indemnitor) 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 Indemnitor.

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 Indemnitor agrees to the following provisions:

A. The Indemnitor will punctually satisfy (check one)

- the performance and compliance by (entity name), MMS Company Number (#), (Indemnitee) with the terms and conditions of the lease, Right-of-Use and Easement (RUE), or Right-of-Way (ROW) and governing Federal regulations for all leases, RUEs, or ROWs in the \_\_\_\_\_ OCS Region, for which MMS has, at any point, recognized the indemnitee as a lease, RUE, or ROW interest or operating rights owner.

- the performance and compliance by (entity name), MMS Company Number (#), (Indemnitee), with the terms and conditions of the lease, RUE, or ROW and governing Federal regulations for (lease, RUE, ROW) number \_\_\_\_\_.
- the performance and compliance by (entity name), MMS Company Number (#), (Indemnitee), with the terms and conditions of the lease, RUE, or ROW and governing Federal regulations for (lease, RUE, ROW) number \_\_\_\_\_ for an amount not to exceed \$\_\_\_\_\_.

B. If the Indemnitee, Indemnitee's operator, or an operating rights owner fails to comply with any lease, RUE, or ROW term or regulations, the Indemnitor will:

- (1) not challenge the determination and
- (2) must 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 for the MMS Regional Director/Manager to complete corrective action.

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

D. If this agreement is terminated, the Indemnitor will remain liable for all work and workmanship performed and liabilities that accrued during the period covered by this Third Party Indemnity, until such time that the indemnified company provides alternate security for the obligation(s) and MMS releases the Indemnitor from further liability.

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

- (1) Notify the Indemnitee and the MMS Regional Director/Manager at least 90 days before the proposed termination date;
- (2) Obtain the MMS Regional Director/Manager's approval for the termination of the period of liability for all or a specified portion of the Indemnitor's indemnification; and
- (3) Remain liable for all work and workmanship performed and liabilities that accrued during the period covered by this indemnity, until such time that the Indemnitee provides a suitable replacement security instrument, assuming all outstanding liabilities and in an amount no less than provided by the indemnity herein, and MMS releases the Indemnitor from further liability.

F. If a party to this agreement is a partnership, joint venture, or syndicate, this agreement binds each partner or party who has a beneficial interest in the Indemnitor.

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

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

**INDEMNITOR**

(Affix Corporate Seal)	_____ (entity name) <b>INDEMNITOR</b>
_____ (signature) <b>CORPORATE OFFICIAL</b>	_____ (signature) <b>CORPORATE OFFICIAL</b>
_____ (typed signer's name) <b>TYPED NAME</b>	_____ (typed signer's name) <b>TYPED NAME</b>
_____ (typed signer's title) <b>TYPED TITLE</b>	_____ (typed signer's title) <b>TYPED TITLE</b>
Witness my hand and notary seal this <u>(day)</u> day of <u>(month)</u> , <u>(year)</u> .	
(Affix Notary Seal)	_____ (signature) <b>NOTARY PUBLIC NAME</b>

**INDEMNITEE**

<p>(Affix Corporate Seal)</p> <p>_____ (signature) <b>CORPORATE OFFICIAL</b></p> <p>_____ (typed signer's name) <b>TYPED NAME</b></p> <p>_____ (typed signer's title) <b>TYPED TITLE</b></p>	<p>_____ (entity name) <b>INDEMNITEE</b></p> <p>_____ (signature) <b>CORPORATE OFFICIAL</b></p> <p>_____ (typed signer's name) <b>TYPED NAME</b></p> <p>_____ (typed signer's title) <b>TYPED TITLE</b></p>
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Witness my hand and notary seal this (day) day of (month), (year).

<p>(Affix Notary Seal)</p>	<p>_____ (signature) <b>NOTARY PUBLIC NAME</b></p>
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