

**STATE OF ALASKA  
ALASKA OIL AND GAS CONSERVATION COMMISSION**

**ASSIGNMENT OF CERTIFICATE OF DEPOSIT AND  
CONFIRMATION AND AGREEMENT OF ISSUING BANK**

On \_\_\_\_\_, 20\_\_,

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(Principal/Obligor)

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(Address)

assigns the following certificate of deposit:

1. \_\_\_\_\_ in the amount of \$\_\_\_\_\_;  
(Certificate of Deposit Number)

issued by \_\_\_\_\_ (name of bank), to secure, in accordance with 20 AAC 25.025, any default that may occur under State of Alaska, Alaska Oil and Gas Conservation Commission Personal Bond No. \_\_\_\_\_ (Bond).

WHEREAS, under 20 AAC 25.025, an operator submitting a personal bond on Form 10-402B, must provide security, issued in the sole favor of the Alaska Oil and Gas Conservation Commission, by a bank authorized to do business in the State of Alaska guaranteeing the operator's performance;

NOW THEREFORE, to meet the requirements of 20 AAC 25.025, under this Assignment of Certificate of Deposit and Confirmation and Agreement of Issuing Bank Assignment,

A. the Principal/Obligor agrees to the following:

1. the assignment of its rights to the Certificate to the Alaska Oil and Gas Conservation Commission;
2. the State of Alaska, by and through its duly authorized agents, is irrevocably constituted and appointed as its Attorney-in-Fact to do all things necessary to effectuate the purposes of this Assignment; and
3. this Assignment shall remain in full force and effect until released in writing by the Alaska Oil and Gas Conservation Commission in accordance with 20 AAC 25.025.

- B. The Issuing Bank confirms and agrees to the following:
1. it is a bank authorized to do business in the State of Alaska;
  2. it is federally insured or a Federal Reserve Bank branch;
  3. it has changed its records to show that, subject to its compliance with all applicable State of Alaska and federal laws, only the Alaska Oil and Gas Conservation Commission may collect the principal amount of the Certificate;
  4. it has placed a hard hold or freeze on the Certificate in accordance with this Assignment;
  5. it shall, within three business days after the Certificate are issued, deliver the original Certificate—or, if it does not issue original Certificate, other account documents, such as receipts, adequately showing that the Certificate was issued—to the Alaska Oil and Gas Conservation Commission (which shall hold them until this Assignment is released in writing by the Alaska Oil and Gas Conservation Commission);
  6. the Certificate complies with the following requirements:
    - (a) the principal of the Certificate is in the sole favor and for the exclusive use of the Alaska Oil and Gas Conservation Commission—i.e., the Certificate will be held by the Alaska Oil and Gas Conservation Commission or by the Issuing Bank in trust for the benefit of Alaska Oil and Gas Conservation Commission;
    - (b) the Certificate is assigned to the Alaska Oil and Gas Conservation Commission in writing and upon the books of the Issuing Bank to secure any default, as determined by the Alaska Oil and Gas Conservation Commission in its sole discretion, that may occur under the Bond, which accompanies the Certificate;
    - (c) subject to the Principal/Obligor compliance with all applicable State of Alaska and federal laws, the Alaska Oil and Gas Conservation Commission alone, in its sole discretion, may authorize the release, in any form, to any party of any or all of the principal amount of the Certificate;
    - (d) the Certificate is, at any time prior to maturity, redeemable, and the principal amount of the Certificate is payable, in whole or in part at the Alaska Oil and Gas Conservation Commission's sole discretion, to the Alaska Oil and Gas Conservation Commission immediately upon written demand;

- (e) the Certificate is in such amount that liquidation prior to maturity will result in the full amount of the Bond, or the Certificate is issued with the provision that all costs of liquidation (including, for example, penalties for early redemption) will be paid out of the interest earned by the Principal/Obligor, not out of principal amount of the Certificate;
  - (f) the Certificate is federally insured;
  - (g) the Certificate automatically renews;
  - (h) the Certificate is subject to no expiration date that would restrict the right of the Alaska Oil and Gas Conservation Commission to collect the principal amount of the Certificate at any time of default; and
  - (i) the Certificate is not, and will not be, subject to any rights of set-off or liens of the Issuing Bank; and
7. the State of Alaska, by and through its duly authorized agents, is irrevocably constituted and appointed as its Attorney-in-Fact to do all things necessary to effectuate the purposes of this Assignment;
  8. this Assignment shall remain in full force and effect until released in writing by the Alaska Oil and Gas Conservation Commission in accordance with 20 AAC 25.025; and
  9. it shall immediately notify the Alaska Oil and Gas Conservation Commission and Principal/Obligor if it becomes unable, for any reason, to fulfill its obligations under the Certificate or if it learns, or reasonably should have learned, that any confirmation or agreement above is or becomes inaccurate.

IN WITNESS WHEREOF, the Principal/Obligor has set its signature and seal (if it has one)

this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
(Signature of Principal/Obligor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

IN WITNESS WHEREOF, the Issuing Bank has set its signature and seal (if it has one)

this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
(Signature of Issuing Bank)

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 )ss.  
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**ACKNOWLEDGEMENT OF PRINCIPAL/OBLIGOR**

On this \_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_, before me, a notary public in and for the State of \_\_\_\_\_, duly commissioned and sworn, appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, said the following: (1) he/she is \_\_\_\_\_ of \_\_\_\_\_, the Principal/Obligor that executed the attached Assignment of Certificate of Deposit and Confirmation and Agreement of Issuing Bank (Assignment); (2) the seal (if applicable) affixed to the Assignment is the Principal/Obligor’s corporation seal; (3) the Assignment was signed and sealed (if applicable) on behalf of the Principal/Obligor by the authority of its Board of Directors; and (4) executing the Assignment is the free act and deed of the Principal/Obligor for the uses and purposes set forth in it.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
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**ACKNOWLEDGEMENT OF ISSUING BANK**

On this \_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_, before me, a notary public in and for the State of \_\_\_\_\_, duly commissioned and sworn, appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, said the following: (1) he/she is \_\_\_\_\_ of \_\_\_\_\_, the Issuing Bank that executed the attached Assignment of Certificate of Deposit and Confirmation and Agreement of Issuing Bank (Assignment); (2) the seal (if applicable) affixed to the Assignment is the Issuing Bank’s corporation seal; (3) the Assignment was signed and sealed (if applicable) on behalf of the Issuing Bank by the authority of its Board of Directors; and (4) executing the Assignment is the free act and deed of the Issuing Bank for the uses and purposes set forth in it.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_