

OIL & GAS SALT WATER DISPOSAL SUPPLEMENTAL APPLICATION

1. Named Insured: _____
 Permitted Yes No
 3rd party Projected Receipts \$ _____

2. Total Number of Operated Wells: _____
 State of Operation: _____
 How long in Operation? _____
 Is there a copy of agreement used? Yes No

3. Distance to nearest Residential Area (miles): _____
 Distance to nearest Drinking water (miles): _____
 Distance to nearest Surface water (miles): _____
 Distance to nearest Town, Commercial business area, Railroad right of way (miles): _____
 Average depth of well _____ Max depth of well _____

4. Does insured have any operations on or near water, lakes, swamps, rivers, creeks, oceans, bays, bayou or bog?
 Yes No If yes, please provide details: _____

5. Please indicate type of security at premises, any attendant on duty and at what times and type of records maintained? _____

6. Any storage tanks located in populated areas? Yes No
 If yes, are storage tanks diked? Yes No Are storage tanks fenced? Yes No
 What is the capacity of each tank? _____
 Describe adjacent exposures: _____
 What is the number of above ground tanks: _____ Number of below ground tanks: _____

7. Who off loads the water? Insured 3rd party

8. Does insured have any interest in or connection into any pipelines? Yes No
 If so, describe: _____

9. **Please describe in detail any other business operation(s) or service(s) performed, (e.g. any chemical processing, hauling of wastes, sales of any product(s) or bi-products(s), site, well or facility(ies) used for any other purposes:**

If insured is performing or subcontracting multi-stage hydraulic fracking operations, completion of the following series of questions is required:

10. Which shale play or formation are wells or operations: _____

11. How much experience do you have with this area: _____
12. Who is performing the fracking operation and what is the contractual agreement with the Operator? _____

13. Have you reported the composition of fracking fluids to Fracfocus.org? Yes No
If not, to whom? _____
If not reported – please provide a composition of fluids used.
Any use of: Benzene Toluene Kerosene Diesel
14. Are micro seismic or any other recording / monitoring performed during fracking? Yes No
If yes, who is responsible for monitoring / record keeping? _____

15. How far from the nearest water source (above ground) is each of the wells being fracked? _____

16. Are local surface water and water wells tested before and after the fracking process? Yes No
If so, by whom? _____
17. How far below the deepest underground source of drinking water is your production zone? _____

18. Casing:
Does surface casing extend below the lowest ground water table? Yes No
Does steel pipe meet API standards and cemented according to API #5CT? Yes No
When circulation is complete – is cement visible in annulus of well bore? Yes No
Is the process documented or observed? Yes No
Is there any open hole production? Yes No
19. How are you disposing of recovered fracking fluids: Recycle, disposal well or other? _____

20. Do you use a “closed loop” fracking process? Yes No
If so, please describe: _____
21. Do you use modeling programs or simulators to plan or design your fracking projects? Yes No
22. What is the maximum treating pressure as a percentage of the burst specifications of the casing? _____%
23. Is consideration given in your casing design to cycling due to multi-stage fracking? Yes No
If yes, please describe: _____
24. Drill/Mud Pits:
Advise distance from any surface water: _____
Does it intersect with any water table? Yes No
Is it properly lined by State and EPA regulations? Yes No
Is pit deep enough to hold projected fluid usage and normal 2 wk rainfall? Yes No
25. Does the operator/insured purchase OEE coverage? Yes No
If so, what limits? _____

GENERAL FRAUD STATEMENT

(Not applicable in the states mentioned below where a specific warning applies.)

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, may be committing a fraudulent insurance act, and may be subject to a civil penalty or fine.

Arkansas, District of Columbia, Louisiana, Maryland, New Mexico, Rhode Island, West Virginia

Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Florida

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kentucky

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 any fact material thereto commits a fraudulent insurance act, which is a crime.

New Jersey

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New York

Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.

Ohio

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Pennsylvania

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Maine, Tennessee, Virginia, Washington

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Signatures

I declare to the best of my knowledge that all statements herein are true and no material facts have been suppressed or misstated. I am also aware that my operation may be inspected by the Insurance Company.

Applicant's Signature

Date

Agent or Broker's Name (Please print)

Signature

Date