



Guidance Document

Surety Bonds for Plugging/Reclamation for the State of Tennessee's Oil and Gas Program

Surety bonds submitted in fulfillment of the requirements of Tennessee Rule 0400-52-01-.05 must meet the requirements in the checklist below.

Checklist

- The department must receive a signed original of the surety bond.
- The bond must use the language provided by the department.
- The penal sum of the bond must be in an amount at least equal to the total amount of financial assurance required.
- The surety company issuing the bond must be licensed to do business as a surety in Tennessee.
- The bond must be accompanied by a power of attorney form.

A note on amendments to surety bonds: When making adjustments to the amount of a bond, the surety will usually send an amendment referencing the original bond number and indicating the new amount rather than sending a completely new bond. This is acceptable. In these cases, we will review the amendment for the following:

- The amendment should reference the correct original bond number.
- The amendment must be a signed original and be accompanied by a power of attorney form.
- The amendment should indicate clearly that all other terms and conditions of the original bond remain unchanged.

Note: *This checklist is provided only as a convenience in order to address some of the more common issues that we encounter when reviewing financial instruments. It is not intended as a complete representation of all applicable regulatory requirements. Please consult with your legal counsel and the TDEC Division of Financial Responsibility before submitting a financial instrument.*