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Lease Operator
Wet Operations
Application Supplement

Note: Information provided in this Lease Operator - Wet Operations Application Supplement should pertain to "Wet Operations" only. Wet Operations are any in, over or upon any watercourse, body of water, bog, marsh, swamp or wetland. All other Lease Operator information should be provided on the Lease Operator Application Supplement.

A. APPLICANT

1. Insured Name _____

B. OPERATOR

1. WELLS (producing, injection, shut-in, suspended & workover) for which you are Operator or Operator by Contract:

Table with 6 columns: State/Location, # Oil Wells, # Gas Wells, State/Location, # Oil Wells, # Gas Wells. Includes four rows of blank lines for data entry.

* In place of completing above, applicant may provide a well schedule containing the information requested.

2. WELLS TO-BE-DRILLED in next 12 months for which you are Operator or Operator by Contract:

Table with 6 columns: State/Location, # Oil Wells, # Gas Wells, State/Location, # Oil Wells, # Gas Wells. Includes four rows of blank lines for data entry.

3. Other than supervision of subcontractors do your employees perform any operations at "wet" facilities? __YES __NO
If yes, describe such operations below. Include annual payroll and number of employees for each operation.

Three horizontal lines for describing operations.

4. How many wells were drilled for you by subcontractors in the last 12 months? _____

5. Do you have plans for any directional wells in the next 12 months? __YES __NO
If yes attach details

6. Indicate length of PIPELINE for which you are responsible as Operator or Operator by Contract:

a. trunk lines (connecting offshore and onshore facilities): _____

b. tie-in/gathering lines (all other): _____

7. Indicate diameter of largest pipeline you operate: _____ inches
8. Indicate maximum operating and design pressure of pipeline you operate:
 a. maximum operating pressure:
 b. design pressure:
9. Do you operate any pipelines above 2/3 of design pressure? __YES __NO
10. Do any operated pipelines transport crude, condensate or other liquids? __YES __NO
 If yes, indicate product(s) transported length of pipeline involved, location and volume:

11. Describe pipeline Emergency Shutdown equipment and operation (and/or attach additional information)

12. Do you operate any SALTWATER DISPOSAL WELLS? Yes No
 If yes attach details with number penetrating known producing zones.

13. Indicate which of the following you require of your SUBCONTRACTORS for wet operations:
 Certificate of Insurance
 Additional Insured status for yourself on subcontractor's insurance
 Waiver of subrogation provisions on subcontractor's insurance
 Subcontractor insurance endorsed to be primary

14. Do you require subcontractors for wet operations to have a **Master Service Agreement (MSA)** Completed and on-file in your office **before** they begin work for you? __YES __NO

- a. If "Yes" what form of MSA do you use? API IADC Other (attach)
- b. If "Yes", describe your company MSA guidelines: Do you require MSA's from all subs?
 Only from subs who perform specific operations? Based on expenditure threshold?
 Based on other factors?
- _____
- _____
- _____

15. Indicate the insurance coverages and limits you require for subcontractors for wet operations?

<u>Coverages</u>	<u>Limits Required</u>
<input type="checkbox"/> General Liability	_____
<input type="checkbox"/> Blanket Contractual	
<input type="checkbox"/> Products/Completed Operations	
<input type="checkbox"/> Underground Resources	
<input type="checkbox"/> Pollution	_____
<input type="checkbox"/> Auto Liability	
<input type="checkbox"/> Workers Compensation	
<input type="checkbox"/> Umbrella Liability	_____

16. Indicate how you contract for wet operations drilling work by the percentage applicable to each method:

___ Not applicable no drilling planned
 ___ No contract used

___%	Turnkey	<input type="checkbox"/> API	<input type="checkbox"/> IADC	<input type="checkbox"/> Other (attach sample)
___%	Day Work	<input type="checkbox"/> API	<input type="checkbox"/> IADC	<input type="checkbox"/> Other (attach sample)
___%	Footage	<input type="checkbox"/> API	<input type="checkbox"/> IADC	<input type="checkbox"/> Other (attach sample)

17. What amount do you expect to spend annually for the following subcontractors for wet operations?

a. Lease Operations _____
 b. Workover _____
 c. Drilling _____

18. a. Indicate the Operator's Extra Expense or Cost of Control or Blowout coverage you carry for wet operations:

___ none
 ___ all wells - producing, injection, shut-in, suspended, workover and wells-being-drilled
 ___ producing, injection, shut-in, suspended and workover only
 ___ wells-being-drilled only
 ___ other (describe) _____

b. What limits do you carry for this insurance? _____

c. Does this coverage include pollution liability? ___ YES ___ NO ___ N/A

C. NON-OPERATING WORKING INTEREST

1. **WELLS** (producing, injection, shut-in, suspended & workover) in which you have a non-operating working interest:

State/Location	# Oil Wells	# Gas Wells	State/Location	# Oil Wells	# Gas Wells
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

2. Indicate the number of your non-operating working interest "wet" wells by your ownership percentage:

0% - 15%	_____	16% - 25%	_____
26% - 50%	_____	over 50%	_____

** In place of completing 1. & 2. above, applicant may provide a well schedule containing the information requested.*

3. **WELLS TO-BE-DRILLED** in next 12 months in which you have a non-operating working interest:

State/Location	# Oil Wells	# Gas Wells	State/Location	# Oil Wells	# Gas Wells
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

4. Indicate length of PIPELINE in which you have a non-operating working interest:
- a. trunk lines (connecting offshore and onshore facilities): _____
 - b. tie-in/gathering lines (all other): _____

DECLARATION and SIGNATURE

I have read the above Application. I declare that to the best of my knowledge and belief the statements and information in this Application and any attachments thereto are true, accurate and complete. This information is given to the insurer for the specific purpose of obtaining insurance coverage. It is agreed that if any information given in this Application or in any attachments thereto is materially false, inaccurate or incomplete, the insurer may deny coverage or cancel the policy.

Signature for First Named Insured (May not be signed by Producer)	Title	Date
Submitted by:		Producer

FOR NEW YORK AND OHIO APPLICANTS:

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.