

**Attachment F. Financial Assurance (40 CFR 144.52)**



Farmers  
National  
Bank

EPA Permit# PAS2D020BLCE  
DEP Permit# 37-033-27255-00-00

March 6, 2020

Environmental Protection Agency Region III  
1650 Arch Street  
Philadelphia, PA 19103

RE: Windfall Oil & Gas, Inc. – Letter of Credit No. 1007

To Whom It May Concern:

Please be advised that The Farmers National Bank of Emlenton acquired Community First Bank on October 1, 2018. This letter is verification that the above referenced Letter of Credit (copy attached) in the amount of \$30,000.00 remains valid and that The Farmers National Bank of Emlenton will honor all terms and conditions within the Letter of Credit.

If you have any questions, you may contact me at 724-867-2311, extension 0434.

Sincerely,

Eric J. Gantz  
SVP/Chief Credit Officer

## STANDBY TRUST AGREEMENT

U.S. Environmental Protection Agency  
Underground Injection Control  
Financial Responsibility Requirement

THIS TRUST AGREEMENT (the "Agreement") is entered into as of 12/05/11  
by and between Windfall Oil & Gas Inc., owner or operator, a corporation / partnership / association / proprietorship (the "Grantor"), and  
Community First Bank (the "Trustee"), a Pennsylvania corporation/financial  
institution.

Whereas, the United States Environmental Protection Agency ("EPA"), an agency of the United States Government, has established certain regulations applicable to the Grantor, requiring that an owner or operator of an injection well shall provide assurance that funds will be available when needed for plugging and abandonment of the injection well or wells,

Whereas, the Grantor has elected to establish a trust to provide all or part of such financial assurance for the facility or facilities identified herein, and

Whereas, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this Agreement, and the Trustee is willing to act as trustee,

NOW THEREFORE, the Grantor and the Trustee agree as follows:

*Section 1. Definitions.* As used in this Agreement: (a) The term "Grantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Grantor. (b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee. (c) Facility or activity means any "underground injection well" or any other facility or activity that is subject to regulation under the Underground Injection Control Program.

*Section 2. Identification of Facilities and Cost Estimates.* This Agreement pertains to the facilities and cost estimates identified on attached Schedule A.

*Section 3. Establishment of Fund.* The Grantor and the Trustee hereby establish a trust fund (the "Fund") for the purpose of assuring compliance with the plugging and abandonment requirements established by EPA for the facilities identified on Schedule A. The Underground Injection Control regulations which govern the authorization to inject include a requirement for such financial assurance that the well or wells shall be plugged and abandoned at the time designated by EPA. The Grantor and the Trustee acknowledge that the Fund and all expenditures from the Fund shall be to fulfill the legal obligations of the Grantor under such regulations, and not any obligation of EPA. The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee is referred

to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible, nor shall it undertake any responsibility, for the amount or adequacy of any additional payments necessary to discharge any liabilities of the Grantor established by EPA, nor shall the Trustee have any duty to collect such additional amounts from the Grantor.

*Section 4. Payment for Plugging and Abandonment.* The Trustee shall make payments from the Fund only for the costs of plugging and abandonment ("P&A") of the injection wells covered by this Agreement and the associated P&A Plan, only after EPA has advised the Trustee that work has been completed under the P&A Plan that complies with 40 C.F.R. § 144.28 and/or § 144.52. The Trustee shall not refund to the Grantor any amounts from the Fund unless and until EPA has advised the Trustee that the P&A Plan has been successfully completed. The Trustee shall not release any funds to the Grantor that are necessary to cover liability for any injection wells covered by this Agreement that remain unplugged.

*Section 5. Payments Comprising the Fund.* Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

*Section 6. Trustee Management.* The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; *except that:*

- (i) Securities or other obligations of the Grantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;
- (ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and
- (iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

*Section 7. Commingling and Investment.* The Trustee is expressly authorized in its discretion:

- (a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other



trusts participating therein; and (b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U. S. C. 80a-1 *et seq.*, including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote shares in its discretion.

*Section 8. Express Powers of Trustee.* Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered: (a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition; (b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted; (c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund; (d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and (e) To compromise or otherwise adjust all claims in favor of or against the Fund.

*Section 9. Taxes and Expenses.* All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

*Section 10. Annual Valuation.* The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Grantor and to the appropriate EPA Regional Administrator a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Grantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor and the EPA Regional Administrator shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

*Section 11. Advice of Counsel.* The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this

Administrator, or by the Trustee and the appropriate EPA Regional Administrator if the Grantor ceases to exist.

*Section 17. Irrevocability and Termination.* Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, and the EPA Regional Administrator, or by the Trustee and the EPA Regional Administrator if the Grantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Grantor.

*Section 18. Immunity and Indemnification.* The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor or the EPA Regional Administrator issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

*Section 19. Choice of Law.* This Agreement shall be administered, construed, and enforced according to the laws of the State of PA.

*Section 20. Interpretation.* As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their respective representatives duly authorized and their seals to be hereunto affixed and attested as of the date first above written.

GRANTOR

TRUSTEE

Windfall Oil & Gas Inc

Community First Bank

By: Michael G. Hoover  
[Print name]

By: W. Jay Chamberlin  
[Print name] W. Jay Chamberlin

Its: President  
[Title]

Its: Senior Vice President/CCO  
[Title]

Attest:

Attest:



Michael G Hoover

Eugene E. Deible, III

Eugene E. Deible, III

Its: President

[Title]

[SEAL]

Its: Secretary

[Title]

[SEAL]

Before me came the individual whose identity  
I confirmed as Michael G Hoover,  
and whose true signature is set forth above;  
wherefor have I set my hand and seal this  
13 day of December, 2001

Donald W Sparks

Notary Public

Before me came the individual whose identity  
I confirmed as W. Jay Chamberlin,  
and whose true signature is set forth above;  
wherefor have I set my hand and seal this  
5th day of December, 2001

Roberta L Kiser

Notary Public

NOTARIAL SEAL  
Donald W Sparks  
NOTARY PUBLIC  
Twp of Sandy, Clearfield County  
My Commission Expires 07/16/2012

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Roberta L. Kiser, Notary Public  
Reynoldsville Boro, Jefferson County  
My Commission Expires Aug. 21, 2014  
Member, Pennsylvania Association of Notaries

IRREVOCABLE STANDBY LETTER OF CREDIT

U.S. Environmental Protection Agency  
Underground Injection Control  
Financial Responsibility Requirement

To: Regional Administrator  
Environmental Protection Agency Region III

1650 Arch St., Philadelphia, PA 19103  
(address of EPA Regional Office)

Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. 1007  
in your favor, at the request and for the account of

Windfall Oil & Gas, Inc.  
(legal name of owner or operator)

P.O. Box 738, Falls Creek, PA 15840  
(business address of owner or operator)

up to the aggregate amount of thirty thousand dollars (\$30,000.00)  
(dollar amount in words)

U.S. dollars (\$) , available upon presentation of:

1. Your sight draft, bearing reference to this letter of credit No. 1007 , and
2. Your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of the Safe Drinking Water Act."

This letter of credit is effective as of December 5, 2011 and shall expire on  
(date)

December 5, 2012 but such expiration date shall be automatically extended for a  
(date at least 1 year later)

period of one year on December 5, 2012 and each successive  
(at least one year) (date)

expiration date, unless, at least 120 days before the current expiration date, we notify both you

and Windfall Oil & Gas, Inc. by certified mail that we have decided not



## SCHEDULE A

### Identification of Facilities and Cost Estimates

Schedule A is referenced in the standby trust agreement dated 12/05/11 by and

between Windfall Oil & Gas Inc., the AGrantor@ and  
(Name of owner or operator)

Community First Bank, the ATrustee@.  
(Name of trustee)

EPA identification number

Name of facility

Address of facility

Zelman #1 Injection well  
Highland Street Bracy township  
Clearfield County PA

Current plugging and  
abandonment cost estimate

30,000

Date of estimate

9/27/11

EPA identification number

Name of facility

Address of facility

Current plugging and  
abandonment cost estimate

Date of estimate