

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

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INSTRUCTIONS FOR CERTIFICATE OF DEPOSIT COAL PROGRAM Public Funds Account

Bill Owens
Governor

Russell George
Executive Director

Ronald W. Cattany
Division Director
Natural Resource Trustee

A Certificate of Deposit (CD) is a type of collateral Bond. The permittee deposits money with a bank that provides the State with a Certificate stating funds are available for reclamation. Rule 3.02.4(2)(c)(i)-(vii) addresses CDs. The following items should be met.

1. The Certificate of Deposit shall be set up as a Public Funds Account (this must be stated on the CD and on the signature card). Our PDPA No. is 010004005101.
2. The CD must be issued by a Colorado bank, due to the PDPA Requirements.
3. CD's must be assigned to the State of Colorado/Mined Land Reclamation Board (and the US/OSMRE for federal mines). 1313 Sherman Street, Room 215, Denver, CO 80203; (303)866-3567, on the certificate itself and also upon the books of the bank issuing the certificate.
4. The maximum amount for a single CD is \$100,000.00, or the maximum level of insurance provided the bank by the F.S.L.I.C. or F.D.*I.C. If the bond amount is greater than \$100,000.00, an applicant can submit two or more separate CD's but they must be from different banks.
5. The CD must be issued on an automatically renewable term. This must be stated on the CD document.
6. The Tax ID number of the CD must be the operator's. All interest accrued against the CD should go direct to the operator.
7. The CD must specify or be accompanied by a letter from the issuing bank stating the following:
 - a. The bank is required to put a HOLD or LOCKOUT on the account until such time as the Division director releases the funds. The bank must provide proof of such hold or lock to the Division.
8. The original certificate is provided to the Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, Colorado 80203, for safekeeping at the State Treasurer's Office.
9. The approved signature on the CD for release is the Division Director's. A blank signature card must be sent to the Division of Reclamation, Mining and Safety (DRMS), and DRMS will return it to the bank with the Director's signature.
10. An Assignment of Certificate of Deposit form must be executed in the presence of a notary with a copy provided to the bank to allow only the Colorado Mined Land Reclamation Board access to these funds until the Division Director formally releases the funds.
11. The Permittee must submit an executed "Coal Reclamation Bond for Use With Certificate of Deposit:" form in support of the Certificate of Deposit being submitted as bond.

If you have any questions regarding the issuance of the CD, please contact Johanna Cramer at this office (303) 866-3567.

Rev. 3/00

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