



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY

1313 Sherman Street, Room 215, Denver, Colorado 80203, (303) 866-3567

**COAL EXPLORATION RECLAMATION BOND
FOR USE WITH CERTIFICATE OF DEPOSIT**

Notice of Intent No. _____

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, That _____

_____ of the
County of _____ in the State of _____, as Principal (hereinafter
"Principal" whether one or more Principals), is held hereby and firmly bound unto the State of
Colorado ("the State") in the sum of
DOLLARS (\$ _____) for payment of which sum, well and truly to be made,
the Principal hereby binds itself and its successors and assigns firmly by these presents.

Principal has caused _____ Bank of
_____, State of _____ ("the Bank" to issue its Certificate of
Deposit* No. _____, dated _____, _____, payable to State of
Colorado Mined Land Reclamation Board in the amount of _____
_____ Dollars (\$ _____) and has
delivered it to the State, to be held by the State as Surety ("the Surety") for the faithful performance
by the Principal of the Principal's obligations to the State evidenced by this bond. The Bank is not a
party to this agreement; its obligations are set forth in its Certificate of Deposit. Nothing in this
instrument diminishes or qualifies the Bank's obligations under its Certificate of Deposit.

WHEREAS, the Principal has filed a complete Notice of Intent to Explore on certain
lands in _____ County, Colorado which are described in Exhibit A, attached
hereto.

WHEREAS, the Principal has agreed with the State to complete a plan for reclamation,
as required by law, of the area or areas of lands disturbed by reason of exploration operations.
Such plan may be amended from time to time with the approval of the State, acting through the
Department of Natural Resources, Division of Reclamation, Mining and Safety ("the Division").

* Certificate of Deposit must be negotiable, payable to State of Colorado and, unless the issuer waives the right to refuse
payment prior to maturity, must have a maturity date not more than one year after date of issue.

The phrase "Board or Division" in this bond means that organ of State government which has the authority to act in the circumstance referred to in the Colorado Surface Coal Mining Reclamation Act (34-33-101 et seq.).

NOW, THEREFORE, the conditions of this obligation are such that if the above bonded Principal shall, in conducting such exploration operations, faithfully perform the requirements of the narrative description or exploration and reclamation plan, as applicable and as amended from time to time, the conditions of the Notice of Intent for such operations and all applicable provisions of law, including the regulations adopted pursuant to applicable statutes, and if the Board or the Division shall make a finding that the lands upon which such operations have been conducted have been satisfactorily reclaimed, and if the Board or the Division shall receive a request for a bond release on such lands or a request for partial release as to any portion thereof, then this obligation shall be exonerated and discharged and become null and void to the extent released in writing by the Board or the Division; otherwise, to remain in full force and effect.

ADDITIONAL PROVISIONS

(1) The amount of this bond is based upon estimates as to the cost of reclamation, and does not operate as a limit upon, or otherwise restrict, the Principal's obligations to complete the reclamation and to comply in all respects with the Notice of Intent to Explore and with applicable laws and regulations governing reclamation, even though the actual cost thereof may substantially exceed the amount of this bond.

(2) This bond shall be reviewed by the Board or the Division from time to time, and the Board or the Division may require an increase in the principal sum of this bond (and a corresponding increase in the surety amount) to cover increases in the costs of reclamation, but no such increase shall bind the Bank unless and until it shall have consented thereto in writing by the issuance of an additional Certificate of Deposit or by a substitute Certificate of Deposit in an increased amount.

(3) The description of lands above set forth is for convenience of reference only, and no error in such description, nor any revision of the approved exploration area, nor the disturbance by the Principal of lands outside of the approved exploration area shall alter or diminish the Principal's obligation hereunder or the Bank's obligation under its Certificate of Deposit, which shall extend to the reclamation of all such lands disturbed.

(4) The obligation of the Bank shall continue until released in writing by the State in accordance with applicable laws specifying bond release procedures. The parties understand that periods of years may necessarily be required before determination can be made that reclamation work has been satisfactorily completed. No revision, extension or renewal of the Operator's Notice of Intent to Explore, or of the time allowed the Operator to complete reclamation shall diminish the Bank's obligation under its Certificate of Deposit.

(5) The State may present for payment any Certificate of Deposit held hereunder and convert the same to cash if the Board or the Division determines that reclamation which ought to have been performed by the Principal, or its successors or assigns, remains unperformed. No other condition precedent need be fulfilled to entitle the State to receive the amount of any such Certificate. However, if, upon completion of such reclamation, the amounts expended for reclamation shall be less than the amount received from the Bank, the excess shall be promptly refunded to the Principal.

(6) Interest on Certificates of Deposit - Check A or B below, whichever is applicable.

_ A. Interest on Certificates of Deposit shall become additional surety hereunder and shall be evidenced either by replacement certificates in the increased amounts or by the deposit with the Division of additional certificates representing the interest. In either event, the amount of this bond will be automatically increased from time to time by the amount of such interest.

_ B. Interest on Certificates of Deposit shall not be State funds. Principal shall be entitled to receive all such interest.

(7) Principal may, from time to time, withdraw a Certificate of Deposit which is Surety hereunder if and to the extent that a substitute Certificate of Deposit is simultaneously deposited as Surety hereunder in the same amount as the Certificate withdrawn.

(8) If this bond applies to lands under the jurisdiction of the State Board of Land Commissioners ("Land Board"), and if this bond, in whole or in part, is accepted by the Land Board as the bond required under its applicable law and procedures, then, the Principal and the Surety having requested that the State accept this single bond in lieu of the separate bonds which would otherwise be required by the Colorado Mined Land Reclamation Board or Division and by the Land Board, hereby agree that, notwithstanding any other provision hereof, or of law, this bond shall remain in full force and effect until released by the Land Board.

(9) This agreement may be executed in multiple copies, each of which shall be treated as an original, but together they constitute only one agreement, the validity and interpretation of which shall be governed by the laws of Colorado.

(10) The provisions hereof shall bind and inure to the benefit of the parties hereto and their successors and assigns.

SIGNED, SEALED AND DATED, this _____ day of _____, _____.

(SEAL)	
Principal _____	Mailing Address _____
By _____,	_____
Name	Title

STATE OF _____)
) ss.
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, _____ by _____ as _____ of _____.

 NOTARY PUBLIC

My Commission expires:

APPROVED:

STATE OF COLORADO
 DIVISION OF RECLAMATION, MINING AND SAFETY
 MINED LAND RECLAMATION BOARD

By _____ Date: _____,
 Director



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ASSIGNMENT OF CERTIFICATE OF DEPOSIT

TO WHOM IT MAY CONCERN:

REFERENCE: Certificate of Deposit Number _____

By submission of this letter, to be attached to the above referenced Certificate of Deposit, I hereby relinquish all title and claim to said certificate to the State of Colorado/Mined Land Reclamation Board, except for accrued interest against the original monies, until such time as the Division of Reclamation, Mining and Safety/Mined Land Reclamation Board releases the certificate. This assignment of Certificate of Deposit supersedes any signature cards that may already be on file at the bank.

PRINCIPAL:

(Principal's Name)

ACKNOWLEDGEMENT OF BANK:

(Authorized Signature)

Print Bank Name

(Print Name)

Authorized Signature

Print Name

NOTARY (of Principal's Signature)
My Commission Expires: _____

Title

Date

Return Original form to: State of Colorado
Division of Reclamation, Mining and Safety
Attn: Johanna Cramer
1313 Sherman Street, Room 215
Denver, CO 80203

Note to Principal/Permittee:
In the event your bank is unable to prepare a certificate of deposit made payable to only the Division of Reclamation, Mining and Safety, this assignment form will need to be executed in the presence of a notary. The original is held by the Division with a copy provided to the bank to allow only the Division of Reclamation, Mining and Safety assess to these funds.