



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY

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

**COAL RECLAMATION BOND
FOR USE WITH CHECK FOR DEPOSIT IN STATE TREASURY
FEDERAL MINE**

Permit 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") and United States/Office of Surface Mining, Reclamation and Enforcement (OSMRE) 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 provided Check No. _____, dated _____, drawn from the Bank of _____, State of _____, ("the Bank"), payable to the State of Colorado Mined Land Reclamation Board and United States/OSMRE, 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. Upon termination of the Cooperative Agreement entered into between the State of Colorado and the Department of the Interior, all bonds shall revert to being payable only to the United States (OSMRE) to the extent that Federal lands are involved. The Bank is not a part to this agreement; its obligations are set forth in its cashier's check. Nothing in this instrument diminishes or qualifies the Bank's obligations under its cashier's check.

WHEREAS, the Principal has applied for a permit to conduct mining and reclamation operations on certain lands in _____ County, Colorado, which, for convenience of reference, are described as follows:

WHEREAS, as part of the application for such permit, Principal has agreed with the State and the United States/OSMRE to complete a specified Plan ("the Plan") for the reclamation, as required by law, of the area or areas of lands disturbed by reason of mining 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") or the Mined Land Reclamation Board ("the Board"), and the United States of America, acting through the Department of the Interior, Office of Surface Mining Reclamation and Enforcement ("the OSMRE").

The phrase "Board or Division" in this bond means that organ of the State government which has the authority to act in the circumstance referred to, and recognizes that the Mined Land Reclamation Act and the Colorado Surface Coal Mining Reclamation Act confer distinctive and sometimes different responsibilities upon the Board and the Division.

NOW, THEREFORE, the conditions of this obligation are such that if the above-bonded Principal shall, in conducting such mining and reclamation operations, faithfully perform the requirements of the Plan, as amended from time to time, the conditions of the permit issued 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 OSMRE shall concur with this finding, 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 plan and to comply in all respects with the permit 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 with the knowledge of the OSMRE, 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.

(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 permitted mining area, nor the disturbance by the Principal of lands outside of the permitted mining area shall alter or diminish the Principal's obligation hereunder which shall extend to the reclamation of all such lands disturbed.

(4) The obligation of the Principal shall continue until released in writing by the State in accordance with the 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 mining permit or of the time allowed the Operator to complete reclamation shall diminish the Principal's obligation under this cash reclamation bond.

(5) The State may withdraw the funds deposited in the state treasury held hereunder if the Board or the Division determines, and the OSMRE concurs, 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 funds deposited in the state treasury. However, if upon completion of such reclamation, the amounts expended for reclamation shall be less than the funds received from the state treasury, the excess shall be promptly refunded to the Principal.

(6) Principal may, from time to time, withdraw the funds deposited in the state treasury, which is Surety hereunder, if and to the extent that a substitute reclamation bond is simultaneously deposited as Surety hereunder in the same amount as the cash funds withdrawn.

(7) (a) If this bond applies to National Forest System lands, and if this bond is accepted by the United States Forest Service ("U.S.F.S.") as the bond required under 36 C.F.R. 252.13, then, the Principal and Surety having requested that the State and the U.S.F.S. accept this single bond in lieu of the separate bonds which would otherwise be required by applicable law, hereby agree that, notwithstanding any other provision hereof, or of law, this bond shall remain in full force and effect until U.S.F.S. has advised the State that the reclamation work has been satisfactorily completed in accordance with the requirements of applicable Federal law and regulations.

(b) 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.

(c) If all or any part of the lands subject to this bond are under the jurisdiction of the Bureau of Land Management, United States Department of the Interior ("the BLM"), and if, at the request of the Principal on this bond, the BLM has, pursuant to 43 C.F.R. 3809.1-9, accepted this bond in lieu of requiring a separate reclamation bond payable to the United States, then, notwithstanding any other provision of this bond, or of law, the Principal and the Surety hereby agree that this bond shall not be released until the State is advised in writing by the BLM that all reclamation requirements of Federal law and regulations have been fulfilled as to such lands.

(8) 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.

(9) 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 _____, _____.

Principal (SEAL) Mailing Address

By _____
Signature Title

(Name Printed)

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 _____
Director

Date: _____, _____.

Coal Reclamation Bond

Exhibit A

File Number: _____

Operation Name: _____

Legal Description:

Acreage: _____

County: _____

State: _____

34-33-101 et seq., S.R.S. 1973, as amended

(Rev. 6/99)

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