



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY

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

COAL RECLAMATION BOND FOR USE WITH CERTIFICATE OF DEPOSIT FEDERAL MINES

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 the 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 caused _____ Bank of _____,
State of _____ ("the Bank" to issue its Certificate of Deposit*
No. _____, dated _____, _____, payable to 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 and the United
States/OSMRE 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 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 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:

* Certificate of Deposit must be negotiable, payable to State of Colorado and United States/OSMRE 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.

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, Mined Land Reclamation Division ("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 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 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 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 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, with the concurrence of OSMRE, 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 mining permit 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, 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 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 or United States of America 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) (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 the 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.

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



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

**ASSIGNMENT OF CERTIFICATE OF DEPOSIT
FEDERAL MINES**

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 (MLRB) and the United States/Office of Surface Mining Reclamation and Enforcement (OSMRE), except for accrued interest against the original monies, until such time as the Division of Reclamation, Mining and Safety/MLRB or United States/OSMRE 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 and OSMRE, 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 and OSMRE assess to these funds.