



COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
1313 Sherman Street, Room 215, Denver, Colorado 80203, (303) 866-3567

MEMORANDUM ON COAL SELF-BOND AGREEMENT

RE: Instructions for completing the Self-Bond Agreement

1. Do not complete this agreement until you have been notified by the Division of Reclamation, Mining and Safety that you qualify for self-bonding based on your Application for Self-Bonding.
2. The legal capacity of the principal must be stated in the caption of the bond (i.e., corporation, partnership, or sole proprietorship).
3. The individual signing the bond on behalf of the principal must be authorized. A resolution or certified evidence of authority to sign on behalf of the principal must be attached to the bond. The corporate seal must be affixed to the bond and to the resolution, if appropriate.
4. If the principal is a partnership, the firm name must appear in the caption of the bond and at least two partners must sign the bond.
5. If the principal is jointly owned, but is not a partnership, the firm name must appear in the caption of the bond and all owners must sign the bond.
6. If the principal is a sole proprietorship, the firm name, if any, must appear in the caption of the bond and must be signed by the sole owner.
7. The bond must contain the notarized signature of a qualified resident agent of the principal.
8. Each party is required to sign his/her own name.
9. All bonds, original, additional, or replacement shall describe and pertain to all lands under the original permit and all revisions/modifications.
10. Additional space for the land description may be obtained by the use of an attachment with each such page properly signed by the principal. Also, attach a map which delineates the permitted lands to be covered by the self-bond agreement and indemnity agreement.
11. **No changes of any kind shall be allowed to be made to this bond form.** Changes to the Self-Bond are allowed through a Rider.



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COAL RECLAMATION SELF-BOND FEDERAL MINES

Self-Bond No. _____

Permit No. _____

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, _____

a _____ corporation, in the County of _____, in the State of _____ duly authorized to do business in the State of Colorado, AS PRINCIPAL, is held firmly bound unto the State of Colorado (State) and the United States, Office of Surface Mining Reclamation and Enforcement ("OSM") in the sum of _____ (\$ _____), lawful money of the United States of America to be paid to the State of Colorado, Mined Land Reclamation Board and the United States, Office of Surface Mining Reclamation and Enforcement upon order of forfeiture by an authorized representative of the Mined Land Reclamation Board (Board), for the payment of which sum, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns.

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 (OSM) to the extent that federal lands are involved.

Whereas, the Division of Reclamation, Mining and Safety (Division) issued Permit Number _____ pursuant to the application of the Principal;

Whereas, the Principal has completed an Application for Self-Bonding, and was found by the Division to qualify for such, and has completed an Indemnity Agreement and both documents are hereby made a part of this Self-Bond Agreement;

Whereas, said bonding agreement(s) shall cover any and all land affected or to be affected by the mining operation under the above mentioned permit, since the date of issuance of the permit, upon the following described land, as given within said permit:

The phrase "the Board or the 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 Colorado Surface Coal Mining Reclamation Act (34-33-101 et seq.) confers distinctive and sometimes different responsibilities upon the Board and the Division.

Now, therefore, the conditions of the obligation are such that this agreement shall remain in full force and effect until either released, or the sum specified above forfeited pursuant to the provision(s) of the Colorado Surface Coal Mining Reclamation Act, 34-33-101, et seq., As Amended, (Act) and the Rules and Regulations of the Colorado Mined Land Reclamation Board for Coal Mining (Rules) adopted pursuant to that Act.

Said Principal herein agrees that its obligation shall be non-cancelable and that the liability hereunder is for the duration of the above specified coal mining and reclamation operation and continues thereafter for a period coincident with the Principal's responsibility for the establishment of revegetation on the affected areas pursuant to the requirements of the Act, EXCEPT THAT the obligation herein may be reduced beforehand when such reduction is approved by the Board or the Division for changes in the permittee's method of operation or other circumstances which reduce the estimated cost of reclamation in accordance with the Act OR where a bond acceptable to the Board or the Division has been submitted to replace this obligation.

The Principal herein further understands and agrees that the procedures for the **adjustment** of the amount under this bond are specified in Rule 3.02; that procedures governing the release of all or part of this bond are specified in Rule 3.03; and that the procedures for the forfeiture of this bond are specified in Rule 3.04

NOW, THEREFORE, the conditions of this obligation are such that if the said Principal herein shall comply with the terms and conditions of said Permit, the provisions of and obligations imposed by the Act, and any amendments thereto, then the release of this obligation shall proceed as specified in Rule 3.03.

The Principal herein further agrees that this bond is posted to insure the permittee's performance upon all acres specified in the above permit. Upon bond forfeiture pursuant to Rule 3.04, all bond or bonds which continue to be held by the Board or the Division for all bonding **within** the above permit may be forfeited and the forfeited bond or bond increments may be used by the Division to complete the reclamation plan or a modified plan for any or all acres in the above permit and to cover associated administrative expenses.

The Principal herein further agrees and understands that this self-bond may continue to remain in full force and effect as long as all information required by Rule 3.02.4(2)(e)(vi) is submitted within ninety (90) days after the close of each fiscal year following the issuance of the self-bond to the Board or the Division and demonstrates the principal and/or guarantor remains qualified. The failure by the Principal to file this information in a timely manner shall in no manner impinge upon or prejudice the rights held by the State and the United States under this Agreement. Further, this agreement remains in full force and effect until released or substituted in accordance with the requirements of the Act.

The Principal herein further agrees and understands that the Board or the Division may require a substitution of this self-bond by a good, corporate surety licensed to do business in the State of Colorado, or other form of bond allowed by Rule 3.02.4.

In witness whereof, we, the said parties, have set our hand and seals.

PRINCIPAL:

SIGNED, SEALED AND EXECUTED this _____ day of _____, 20_____

BY: _____ BY: _____

TITLE: _____ TITLE: _____

State of _____)
)SS.
County of _____)

ALL APPLICABLE CORPORATE ACKNOWLEDGMENTS ARE ATTACHED HERETO AS PART OF THIS AGREEMENT.

This foregoing instrument was acknowledged by me this _____ day of _____, 20_____ by _____ as _____ of _____.

Witness my hand and official seal. _____
(Notary Public)

My Commission Expires: _____

JOINT VENTURE OR PARTNERSHIP:

SIGNED, SEALED AND EXECUTED this _____ day of _____, 20____

BY: _____ BY: _____

TITLE: _____ TITLE: _____

State of _____)

County of _____)

This foregoing instrument was acknowledged by me this _____ day of _____,

20 ____ by _____ as _____ of

_____.

Witness my hand and official seal.

(Notary Public)

My Commission Expires: _____

RESIDENT AGENT FOR SERVICE:

Resident Agent: _____ Date: _____

(Signature)

Address: _____

APPROVED:

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

BY: _____ Date: _____