



United States Department of the Interior
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

COLLATERAL BOND AND INDEMNITY AGREEMENT
(Corporation)

KNOW ALL PERSONS BY THESE PRESENTS, THAT THE UNDERSIGNED

(Corporation/Permittee/Obligor)

(Street Address) (City) (State) (ZIP)

a corporation organized and existing under the laws of the State of _____,
as Obligor, is hereby held and firmly bound unto the United States Office of Surface Mining
Reclamation and Enforcement (OSM) in the sum of _____
(\$ _____).

Contemporaneously with the execution and delivery of this Bond, the Obligor gives OSM
a _____ numbered: _____, as collateral, pursuant to 30 CFR §800.5(b),
(type of instrument) (instrument ID number)

in the amount specified above, and attached as Exhibit 1.

THE CONDITION OF THIS OBLIGATION is such, that:

Whereas, the above named Obligor has submitted an application for surface coal mining
operations, Permit Application No. _____, including a mining and reclamation plan,
to conduct and reclaim the mining operation, as defined pursuant to the Surface Mining Control
and Reclamation Act of 1977, 30 U.S.C. §1201 *et seq.*, (the Act) and its attendant regulations;
and

Whereas, pursuant to 30 CFR §800.5(b) the Obligor has chosen to post a collateral bond
and indemnity agreement (Bond) as a guarantee that the reclamation of the land disturbed during
this surface coal mining operation will be completed as required by the Act and 30 CFR Chapter
VII, and as specified in the Permit as issued; and

Whereas, the Obligor agrees to guarantee the obligation and to indemnify, defend, and
hold harmless OSM from any and all losses and expenses which OSM may sustain as a result of
the Obligor's failure to comply with the conditions of the obligation; and

Whereas obligations guaranteed by this bond shall be in effect for the following described lands approved as the permit area or increment upon which initial or succeeding operations will be conducted: _____

_____.

(If more space is needed, attached a signed legal description exhibit to this collateral bond agreement)

Now therefore, if the Obligor faithfully completes all reclamation and abatement requirements set forth in the Act, in 30 CFR Chapter VII, and in its Permit, including the mining and reclamation plans, then this obligation shall be void; otherwise, it shall remain in full force and effect:

- (a) beginning on the date of the approval and issuance of Permit No. _____ and extending until all reclamation, restoration, and abatement work pursuant to the Act, 30 CFR Chapter VII, and the permit has been completed to the satisfaction of OSM; and,
- (b) until the bond is released pursuant to 30 CFR §800.40, replaced in accordance with 30 CFR §800.30, or until the permit has been sold, reassigned or otherwise transferred in accordance with 30 CFR §774.17; and
- (c) extending for a minimum period of _____ years, notwithstanding the requirements of sub-paragraphs (a) and (b) above, it being further understood that if the Obligor performs any augmented seeding, fertilization or other supplemental reclamation work on the site prior to bond release, the period of liability under this bond shall begin again subject to the exception found in 30 CFR §816.116(c)(4) or 30 CFR §817.116(c)(4).

The failure of the Obligor to fulfill the obligations specified by the Act, 30 CFR Chapter VII, and its permit, shall result in a forfeiture of this performance bond according to the procedures described in 30 CFR §800.50.

IN WITNESS WHEREOF, the Obligor has hereunto set its signature and seal this _____ day of _____, _____.

(Corporation/Permittee)

By: _____
(Corporate Officer¹)

(Title)

¹Where one signs by virtue of Power of Attorney or Corporate Resolution for a corporate Principal, a certified copy of the Power of Attorney or Corporate Resolution must be filed with the collateral bond.

ACKNOWLEDGEMENT OF CORPORATION - OBLIGOR

On this ____ day of _____, _____, before me, a Notary Public in and for the County of _____, in the State of _____, appeared _____ to me personally known who, being by me fully sworn, did say that he/she is of _____, the corporation named in and which executed the within instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed, sealed and delivered on behalf of said corporation by authority of its Board of Directors, and he/she, as such officer, acknowledged said instrument to be the free act and deed of said corporation for the uses and purposes of said instrument as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

My Commission Expires: _____

Notary Public in aforesaid County and State

NOTE: Where negotiable securities are used as collateral, a completed POWER of ATTORNEY AND AGREEMENT must be attached.

Paperwork Reduction Act Notice

We use the information required by this form to ensure that the requirements for a collateral bond under 30 CFR 800.21 have been met. You must provide the requested information to obtain a benefit (a collateral bond). Under 30 CFR 842.16, the information collected is a matter of public record.

The time needed to complete this form and related forms and submit the requested information to obtain a collateral bond will vary depending on individual circumstances. We estimate that the average time will be 4 hours per response. This number includes the time spent reviewing instructions, learning about the regulations, gathering and maintaining information, and completing and reviewing the forms. If you have comments concerning the accuracy of this estimate or suggestions for simplifying the forms or instructions, you may write to the Information Collection Clearance Officer, Office of Surface Mining Reclamation and Enforcement, Room 202 SIB, 1951 Constitution Ave, NW, Washington, D.C. 20240.

Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), you are not required to respond to, nor will you be subject to a penalty for a failure to comply with, a collection of information unless it displays a currently valid OMB control number.

OMB Control No. 1029-0043; expires 1/31/2009