

STATE OF OKLAHOMA

STATE OF OKLAHOMA

DEPARTMENT OF MINES

COAL

2915 N. Classen Blvd., #213

(405) 427-3859

Oklahoma City, Oklahoma 73106

COLLATERAL BOND AND INDEMNITY AGREEMENT

Date _____

To be filled in by Department of Mines:

Purpose (check one):

Permit No. _____

- (a) Original Application for Permit { }
- (b) Additional Bond { }
- (c) Replacement Bond { }
- (d) Permit transfer { }
- (e) Other { }

To be filled in by Operator:

Name of Operation: _____

WHEREAS, _____, a

- (1) Corporation, incorporated under the laws of the State of: _____, or a
- (2) _____

(Limited Liability Company, Partnership, Individual)

with its principal place of business at _____, has filed an application for a Permit with or
(Address)

has been issued a permit by the Department of Mines under the provisions of the Coal Reclamation Acts of 1978 and 1979, Title 45 of the Oklahoma Statutes, Section 742.1, in which the Applicant/Permittee estimates that the Applicant/Permittee will affect by surface coal mining _____ acres of land in Sec.(s) _____, Township _____, Range _____, County of _____, in the State of Oklahoma.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that _____
(Name of Applicant/Permittee)

in consideration of the issuance of the aforesaid permit and intending to be legally bound hereby, is held firmly bound unto the Department of Mines, in the full sum of _____ US DOLLARS (\$ _____), to the payment whereof, the Applicant/Permittee does hereby bind itself, its heirs, executors, administrators, assigns and successors, firmly by these presents;

NOW THIS OBLIGATION is such that if the said Applicant/Permittee shall faithfully perform all of the requirements of the Coal Reclamation Acts of 1978 and 1979, Title 45 of the Oklahoma Statutes, Section 742.1 et seq., and all conditions required in the permit issued to said Applicant/Permittee, as specified therein and as designated in this Agreement (all of which are hereinafter referred to as the "Law"), and such amendments or additions as may hereafter be lawfully made, then this obligation

shall be null and void, otherwise to be and remain in full force and effect.

LIABILITY UPON THIS BOND shall be for the amount specified herein. Liability upon this bond shall continue for the duration of surface mining at the operation conducted hereunder and thereafter until released in whole or in part by the Department, in writing, as provided by law. Failure of the Applicant/Permittee to fulfill the obligation specified herein shall result in forfeiture of the collateral posted herewith, as provided by law.

AND FOR THE PURPOSE OF SECURING SAID OBLIGATION, the said _____

(Name of Applicant/Permittee)

in accordance with the provisions of the law:

DESCRIPTION OF COLLATERAL

(A) Negotiable Bonds

Name of Issuer & Bond No.	Face Value	Market Value
_____	_____	_____
_____	_____	_____
_____	_____	_____
Sub total:		=====

(B) Certificates of Deposit, Savings Certificates or Irrevocable Letters of Credit

Bank	No.	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
Sub total:		=====

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(C) Cash, Certified Check, Cashier's Check, Treasurer's Check

Bank	Check No.	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
Sub total:		=====

Total Amount of Collateral: \$ _____

If the Department has authorized a schedule (attached to this bond) to deposit the collateral required to secure this Bond Obligation, the Applicant/Permittee agrees to make such deposits in strict conformity with such schedule as a supplement to such amounts already deposited with the Department. Failure to promptly deposit collateral in accordance with the schedule shall immediately result in the acceleration of the obligation to deposit the full remaining amount of collateral and such other penalties as may be imposed by the Department of Mines.

WHEREAS, the Applicant/Permittee, and its successors and assigns agree to guarantee this obligation and to indemnify, defend, and hold harmless the Department of Mines from any and all losses and expenses which the Department may sustain as a result of the Applicant/Permittee's failure to comply with the conditions of the law and this obligation.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals, the day and year first written above.

ATTEST:

By: _____

(Signature and Title)

(Seal)

By: _____

(Signature and Title)

(Seal)

(Print Name of Permittee)

Third Party Sign Below (If applicable)

ATTEST:

By: _____

(Signature and Title)

(Seal)

By: _____

(Signature and Title)

(Seal)

WITNESS:

STATE OF OKLAHOMA DEPARTMENT OF MINES

By: _____

(Signature and Title of Authorized Representative of Department)

APPROVED AS TO LEGALITY OF FORM:

Chief Counsel/Assistant Chief Counsel