

STATE OF OKLAHOMA - DEPARTMENT OF MINES
SURETY BOND UNDER COAL RECLAMATION ACTS OF 1978 and 1979

DATE: _____

To be filled in by Department of Mines: Mining Permit No. _____

To be filled in by Surety Company: Bond No. _____

To be filled in by Applicant (Check one)

- (a) Original Application for Permit []
(b) Replacement Bond to Permit No. _____ []
(c) Additional Bond to Permit No. _____ []
(d) Original Application for Exploration Permit []

Name of Operation _____

WHEREAS _____,

“Applicant,” a (1) corporation, incorporated under the laws of the State of _____, or (2) (Partnership, Individual, Company), with its principal place of business at _____, has filed an application for a Surface mining permit with the Department of Mines, under the provisions of the Act of Legislature, emerg. eff. June 1, 1979, known as the “Coal Reclamation Acts of 1978-1979”, hereinafter “the Act”, Title 45 O.S. 2001, Section 742.1 et seq., and as amended, in which he stated that he would affect _____ acres of land by mining, (and of which acres of land have been approved to be permitted) being the lands of _____ in the State of Oklahoma in Section _____, Township _____, Range _____, County _____.

(Name[s] of Landowner[s])

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS that we, Applicant(s), as principal, and _____, Surety Company, a corporation organized in the State of _____, licensed to do business in the State of Oklahoma, and approved by the Department of Mines, State of Oklahoma, hereinafter the “Director” and the “Department”, with its principal place of business at _____, as surety, in consideration of the issuance of the aforesaid permit(s) and intended to be legally bound hereby, are held and firmly bound unto the Department in the just and full sum of _____ \$_____ US Dollars), to the payment whereof, well and truly to be made, we bind ourselves, our heirs, executors, administrators, assigns and successors, individually and/or jointly, firmly by these presents.

I HAVE READ THE REVERSE SIDE OF THIS DOCUMENT AND AGREE TO ABIDE BY THE SAID CONDITIONS.

Signature of Applicant Title Date
Signature of Surety Agent Title Date

SUBJECT COMPANY IS CURRENTLY AUTHORIZED TO TRANSACT SURETY BUSINESS IN OKLAHOMA: Ins. Commissioner’s Annual Listing, Page _____, Date _____.

WITNESS: _____ DEPARTMENT OF MINES
Director or Designee, Title Date

Where one signs by virtue of Power of Attorney for a surety, such Power of Attorney must be filed with the bond.

* APPROVED AS TO LEGALITY OF FORM:

Deputy Attorney General / Chief counsel / Legal Counsel

NOW THE CONDITION OF THIS OBLIGATION is such that if the principal shall faithfully perform all of the requirements of (1) the Act, (2) the applicable rules and regulations promulgated therein, and (3) commitments made in the approved mining and reclamation plan (all of which are hereafter referred to as "law"), then this obligation shall be null and void, otherwise to be and remain in full force and effect in accordance with the provisions of the law.

LIABILITY UPON THIS BOND shall be for the amount specified herein, which is an amount equal to the current, estimated cost of completing the surface operator's obligations under the law. Liability upon this bond shall not be for an amount less than Ten Thousand (\$10,000) dollars, (unless this bond is for acreage additional to an existing Mining Permit or an additional bond to an existing bonded Mining Permit). Liability upon this bond shall continue for the duration of surface mining and reclamation operations conducted hereunder as provided by law, unless released in whole or in part by the Department, in writing, prior thereto as provided by law.

UPON THE HAPPENING OF ANY DEFAULT of the provisions, conditions and obligations assumed under this bond and the declaration of a forfeiture by the Director or his Designee, the surety and principal shall have the right to a full administrative review of the findings of forfeiture as provided by law and the right to judicial review of the findings and orders of an administrative review, as provided by law.

FURTHER, the principal and the surety agree that their liability hereunder shall not be impaired or affected by, (a) any renewal or extension of the time for performance of any of the provisions, conditions or obligations upon which this bond is conditioned, or (b) any forbearance or delay in declaring this bond to be forfeited or in enforcing payment on this bond. The principal agrees that the surety may cover or perform the obligations of the principal upon the principal's default, provided, however, that the surety cover such defaulted obligations to the full satisfaction of the Department.

FURTHER, the surety, and their successors and assigns agree to guarantee the obligation and to indemnify, defend, and hold harmless the Department from any and all losses and expenses which the Department may sustain as a result of the principal's failure to comply with the condition of the obligation.

FURTHER, the Department reserves the right to require additional bonding from the principal, for any reason, which shall be a supplement to and augment the bond liability provided herein. The Department may release, in writing, a portion of the amount herein, as may be authorized by the law, and such amount released shall be a credit upon the total amount of the bond. Nothing herein shall limit or preclude the Department from seeking any liability or remedy, in addition to the forfeiture of this bond, which may be authorized or provided by law.

FURTHER, the surety will give prompt notice to the principal and to the Department of any notice received or action filed alleging the insolvency or bankruptcy of the surety, or alleging any violations or regulatory requirements which could result in suspension or revocation of the surety's license to do business.

FURTHER, in the event the surety becomes unable to fulfill its obligations under the bond for any reason, notice shall be given immediately to the principal and to the Department.

FURTHER, upon the incapacity of the surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the principal shall be deemed to be without bond coverage in violation of OAC 460:20-37-4 and subject to enforcement actions described in OAC 460:20-37-9.

FURTHER, the principal and the surety agree that this bond shall be interpreted in accordance with the laws of the State of Oklahoma regardless of where it is executed. If any portion of this bond is held to be illegal, then only that portion is void and not the entire bond.

IN WITNESS WHEREOF, the principal and surety have hereunto set their hands and seals, intending to be legally bound hereby, this date as set forth on the face of this instrument.