

NON-COAL

**STATE OF OKLAHOMA
DEPARTMENT OF MINES
2915 N. CLASSEN BLVD., SUITE 213
OKLAHOMA CITY, OK 73106**

DATE: _____
IRREVOCABLE LETTER OF CREDIT
NO. _____

APPLICANT/PERMITTEE:

LADIES/GENTLEMEN:

On behalf of the above stated applicant/permittee, we, hereinafter the Bank (“Bank”), with its principal place of business at _____

_____ hereby establish(s) our Irrevocable Letter of Credit in favor of the Department of Mines (hereinafter the “Department”), payable in part or full to the Department, available by the Department’s draft(s) in an amount not to exceed _____ U.S. Dollars (\$ _____), upon receipt of a written demand by the Department, because of any violation of the Mining Lands Reclamation Act, the regulatory program, the permit or the reclamation plan.

This letter of credit is effective _____, and will expire at the close of business on _____; however, this credit will automatically be extended for period(s) of one (1) year from any scheduled expiration date (as originally scheduled or automatically extended) unless ninety (90) days prior to such date the Bank notifies the Department in writing by certified mail, return receipt requested, or personal service that the Bank elects not to renew this Letter of Credit for such additional period.

Upon receipt by the Department of such notice, the Department may draft on the Bank at sight for the amount of this Letter of Credit beginning thirty (30) days or less prior to the then applicable expiration date, accompanied by a statement signed by the Department’s Director or designee stating that the amount of the drawing represent(s) funds due the Department because the applicant/permittee has failed to replace this Letter of Credit by other suitable bond.

The Bank certifies that the amount of the credit herein established will not be reduced for any reason during the period of the instrument without the written consent of the Department.

The Bank will give prompt notice to the applicant/permittee and to the Department of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank’s charter or license to do business.

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In the event the Bank becomes unable to fulfill its obligations under this Letter of Credit for any reason, notice shall be given immediately to the permittee and to the Department.

All terms and provisions herein and any related terms or provisions shall be governed by the laws of the State of Oklahoma and any litigation related to this document shall be brought in the District Court for Oklahoma County, Oklahoma, or in the District Court where the mining permit is located.

IN WITNESS WHEREOF, the Bank has hereunto set its signature this _____ day of _____, 20 ____.

Yours very truly,

Name of Bank

Signature of President or Vice President

Title

Attest (Seal)

Secretary or Cashier

Acknowledgment

The foregoing instrument was acknowledged before me on this _____ day of _____, 20 _____, by _____, President or Vice-President of _____ corporation, on behalf of the corporation.

Notary Public

My commission expires: _____

COLLATERAL BOND AGREEMENT

Section 1

Name of Permittee (Operator): _____ Telephone No.: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Corporation _____ Single Proprietorship _____ Partnership _____ Other _____ In the State of _____

Acres to be mined: _____ Mineral to be mined: _____

Section: _____ Township: _____ Range: _____ County: _____

Section: _____ Township: _____ Range: _____ County: _____

Section: _____ Township: _____ Range: _____ County: _____

This Agreement made this _____ day of _____ in the year of _____ by the State of Oklahoma, Department of Mines and _____ (Name of Operator) who in consideration of the issuance of the aforesaid permit and intending to be legally bound hereby, is held and firmly bound unto the State of Oklahoma, Department of Mines, in the just and full sum of \$_____ to the payment whereof the operator does hereby bind his/her/itself, his/her/its heirs, executors, administrators, assigns and successors, firmly by these presents:

NOW THE OBLIGATION OF THIS CONTRACT is such that if the said operator shall faithfully perform all of the requirements of the Mining Reclamation Act, Title 45 O.S. 2001, Section 721 *et seq.* and as amended thereafter; the Rules and Regulations for Non-Coal Mining and Reclamation Operations (460:10-1-1 thru 460:10-37-7); and all the conditions required in the permit issued to said operator as specified heretofore and designated in this bond (all of which are hereinafter referred to as the "law"); and as such amendments or additions to the law may hereinafter 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 and reclamation at the operation conducted hereunder unless released in whole or in part by the Department, in writing, prior thereto as provided by law.

AND FOR THE PURPOSE OF SECURING SAID OBLIGATION, the said _____ (Name of Operator) hereby deposits the following security in lieu of a surety bond in accordance with the provisions of the law.

Section 2

Description of Collateral

Check type of bond:

_____ Negotiable Bond
_____ Certificate of Deposit
_____ Cash or check

_____ Bank Irrevocable Letter of Credit
_____ Other, please specify: _____

Issuer (Name of Bank)	Bond Number	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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 Operator agrees to make such deposits in strict conformity with such schedule as a supplement to such amounts already deposited with the Department. Failure to deposit promptly 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.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals, intending to bind legally themselves, their heirs, successors, assigns and transferees, the day and year first above written.

Section 3

Mining Operator Sign Below

Printed Name and Title of Operator Official

Signature

Printed Name and Title of Operator Official

Signature

Print Name of Permittee

Place Corporate Seal HERE,
If applicable

Third Party Sign Below (If applicable)

Printed Name and Title of Third Party Official

Signature

Printed Name and Title of Third Party Official

Signature

Print Name of Third Party

Place Corporate Seal HERE
If applicable

Accepted by Oklahoma Department of Mines

Signature

Title

Approved as to Legality of Form:

Signature
Non-Coal: Revised 01/17

Title

Date