

**COMMONWEALTH OF KENTUCKY
ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR NATURAL RESOURCES
DIVISION OF MINE RECLAMATION AND ENFORCEMENT
FRANKFORT, KENTUCKY 40601**

PERFORMANCE BOND

FOR SURFACE COAL MINING AND RECLAMATION ON FEDERAL LANDS

APPLICATION (PERMIT) NUMBER _____

INCREMENT NUMBER (IF ANY) _____

BOND SUBSTITUTION FOR EXISTING BOND # _____

AMENDMENT, REVISION, OR RENEWAL NUMBER (IF ANY) _____

- 1. CASH BOND _____
- 2. SURETY BOND NUMBER _____
- 3. CERTIFICATE OF DEPOSIT NUMBER _____
- 4. LETTER OF CREDIT NUMBER _____

KNOW ALL PERSONS BY THESE PRESENTS, That the undersigned _____
as Principal and _____ as Surety is/are held and firmly bound unto the
Energy and Environment Cabinet (and the United States Department of the Interior, where
applicable) in the penal sum of _____
Dollars (\$ _____).

- 1. Which sum is herewith deposited with the Cabinet's Department for Natural Resources
- 2. For the payment of which sum is to be well and truly made
- 3. Which sum is herewith deposited with the Cabinet's Department for Natural Resources,
by and through its Escrow Agent _____
- 4. Which sum is available by virtue of an irrevocable letter of credit in favor of the Cabinet's Department
for Natural Resources

as a guarantee that the provisions of the permit issued pursuant to Application Number _____,
all applicable state (or federal where applicable) laws, regulations, and the terms of this bond will be observed and
hereby bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by
these presents. This bond is effective upon receipt by the Department for Natural Resources and cannot be cancelled
except as provided under KRS 350.068, 405 KAR 10:030 and 405 KAR 10:035.

THE CONDITIONS OF THE ABOVE OBLIGATION ARE SUCH, THAT:

Whereas, the above bound Principal, pursuant to the provisions of KRS Chapter 350 (or the Surface Mining Control
and Reclamation Act of 1977, 30 USC § 1201 *et seq.* (the "Act") where applicable) did file with the Department for
Natural Resources (or the United States Department of the Interior, Office of Surface Mining Reclamation and
Enforcement ("OSM"), where applicable) an application for a permit to engage in surface coal mining and
reclamation operations in the Commonwealth of Kentucky; that in said application the Principal
estimates that _____ acres of land situated in _____
County, Kentucky will be affected by surface coal mining and reclamation operations authorized by the permit
issued pursuant to the aforesaid application requiring this bond.

Whereas, in the event the Federal Lands Cooperative Agreement, 63 **FR** 53252 (effective date: November 2, 1998), as codified at 30 **CFR** 917.30, between the Commonwealth of Kentucky and the United States Department of the Interior is terminated, the portion of the performance bond covering the federal lands increment(s) shall be assigned to the United States of America; and

Whereas, in the event the aforementioned Federal Lands Cooperative Agreement is terminated subsequent to the forfeiture of the bond, any unspent or uncommitted proceeds of the bond covering the federal lands increment(s) shall be assigned to and forwarded to the United States of America.

If this is a bond substitution it is understood and agreed that all obligations under this bond shall extend to disturbances both prior and subsequent to the date of substitution.

Now if the said _____, as Principal, shall faithfully perform all the requirements of the above-designated application, the permit issued pursuant thereto, and the applicable laws, regulations, and the terms of this bond then this obligation shall be released; otherwise, it is agreed that said penal sum shall be paid to the Commonwealth of Kentucky, Energy and Environment Cabinet, upon receipt of an Order of the Cabinet. In the event of bond forfeiture, pursuant to KRS 350.130(1) and 405 KAR 10:050 the Cabinet shall forfeit all of the remaining bond amount for the permit or increment(s) to which the bond applies, regardless of the acreage disturbed or reclaimed.

In the event that the insurer or surety becomes incapacitated by reason of bankruptcy insolvency or suspension or revocation of its charter, license or certificate of authority, the provisions of 405 KAR 10:030, Section 2 shall apply.

PRINCIPAL: _____ BY: _____
(PERMITTEE)

DATE: _____ OFFICIAL POSITION: _____

SIGNATURE: _____

Subscribed and sworn to before me by _____ this the _____ day of

_____, _____.

NOTARY PUBLIC: _____ MY COMMISSION EXPIRES: _____

COMPLETE FOR SURETY BOND:

SURETY: _____

ADDRESS: _____

LOCAL AGENCY ISSUING BOND: _____

ADDRESS: _____

BY: _____ OFFICIAL POSITION: _____

SIGNATURE: _____ DATE: _____

NOTE: The person who signs for a surety company must file with the bond a copy of the Power of Attorney showing authority to sign.

SME-42-F Rev. 06/13