



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Natural Resources
Division of Oil, Gas and Mining

JOEL FERRY
Executive Director

MICK THOMAS
Division Director

Date: _____

Bank Name: _____

Address: _____

Attention: _____ (Bank Acct. Rep., Branch Manager, etc.)

Phone: _____

RE: **Reclamation Surety, Certificate of Deposit** for:

Company Name: _____

Mine Site: _____

OGM Mine File #: _____

County: _____, Utah

Certificate of Deposit #: _____

Principal Amount \$: _____

This letter describes the mutually agreed upon instructions of the below signed parties to _____ Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as surety to guarantee the availability of reclamation funds for the mine site ("Mine Site") listed above. It is the intention of the parties that the CD be utilized as surety to guarantee that \$_____ in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by a _____ (type of company) but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. Bank hereby acknowledges the pledge of the aforesaid CD to the Division and agrees to record the information in the bank's written and electronic records of book entry. Further, the bank acknowledges and agrees that it shall hold the moneys represented by the CD's as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by _____ (name of operator) for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and

Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may request a transfer or release of the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$ _____. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

Mick Thomas, Director
Utah Division of Oil, Gas & Mining

Date: _____

Company Authorized Officer
Name & Title: _____
Company Name: _____
Tax ID Number: _____

Date: _____

Bank Authorized Officer
Name & Title: _____
Bank Name: _____

Date: _____

Bond Number: _____

Affidavit of Qualification
INSTITUTION (Bank or Agency)

I, _____, being first duly sworn under oath, deposes and says that he/she is the
(officer or agent) _____ of _____; and that he/she is duly
authorized to execute and deliver the foregoing obligations; and that said INSTITUTION (Bank or Agency)
is authorized to execute the same and has complied in all respects with the laws of Utah in reference to
commitments, undertakings and obligations herein.

Signature

Name & Title

Subscribed and sworn to me this _____ day of _____ 20_____.

Notary Public

My Commission Expires:

_____, 20_____

Attest:

STATE of: _____ §

COUNTY of: _____

Bond Number: _____

Affidavit of Qualification
PERMITTEE / OPERATOR

I, _____, being first duly sworn under oath, deposes and says that he/she is the
(officer or agent) _____ of _____; and that he/she is duly
authorized to execute and deliver the foregoing obligations; and that said PERMITTEE / OPERATOR is
authorized to execute the same and has complied in all respects with the laws of Utah in reference to
commitments, undertakings and obligations herein.

Signature

Name & Title

Subscribed and sworn to me this _____ day of _____ 20_____.

Notary Public

My Commission Expires:

_____, 20_____

Attest:

STATE of: _____ §

COUNTY of: _____

Bond Number: _____

Affidavit of Qualification
DIRECTOR

Mick Thomas, being first duly sworn under oath, deposes and says that he is the Director for the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said Director is authorized to execute the same by authority of laws on behalf of the State of Utah.

Mick Thomas, Director
Division of Oil, Gas and Mining

Subscribed and sworn to me this _____ day of _____ 20_____.

Notary Public

My Commission Expires:

_____, 20_____

Attest:

STATE of: _____ §

COUNTY of: _____