



THIRD-PARTY GUARANTEE FOR SELF-BOND
PUBLIC SERVICE COMMISSION
RECLAMATION DIVISION
 SFN 17712 (Rev. 09-2001)

Permittee	Guarantor
Permit Number	Self-Bond Number

The above named Guarantor, a corporation organized under the laws of the State of _____, hereby guarantees the Self-Bond of the above named Permittee, the holder of the Surface Coal Mining and Reclamation Operations Permit listed above.

Guarantor satisfies the financial requirements and criteria set by the North Dakota Administrative Code Section 69-05.2-12-05.1.

Permittee has requested and desires to place with the North Dakota Public Service Commission (NDPSC) its Self-Bond to secure reclamation obligations and Guarantor desires to guarantee the funds pledged under Permittee's Self-Bond.

To the extent that there are any Federal lands containing leased Federal coal within the bond area, the Self-Bond is also payable to the United States/Office of Surface Mining Reclamation and Enforcement (OSMRE). Based on the Cooperative Agreement between the State of North Dakota and the United States Department of the Interior, both NDPSC and OSMRE are co-obligees under the Self-Bond and the NDPSC must obtain OSMRE concurrence prior to releasing any obligation under the Self-Bond for Federal lands containing leased Federal coal. To the extent these Federal lands are involved, release of the Self-Bond also is conditioned upon compliance with applicable Federal laws and regulations and the provisions of the Cooperative Agreement between the State of North Dakota and the United States Department of the Interior at 30 C.F.R. 934.30. If the Cooperative Agreement at 30 C.F.R. 934.30 is terminated, the Self-Bond shall continue in effect and, to the extent these Federal lands are involved, the bond shall be payable to the United States.

Guarantor has full authority under the laws of the State of _____, its articles of incorporation and its bylaws to enter into this guarantee. Guarantor has full approval from its Board of Directors to enter into this guarantee. It is in the best interests of Guarantor, in the legitimate furtherance of its purposes and business, to enter into this guarantee.

The NDPSC has the legal authority under North Dakota Century Code Chapter 38-14.1 to administer the bonding requirements for surface coal mining and reclamation operations in the State of North Dakota.

- I. In consideration of the approval and execution of the Self-Bond listed above, Guarantor, its successors and assigns, jointly and severally, do hereby covenant, guarantee, promise and agree to make upon demand prompt payment of the full amount, or portions thereof, of the above listed Self-Bond of Permittee, on the terms and conditions described herein, said payment of monies to be used for the reclamation of all lands affected under the Permit in accordance with North Dakota Century Code Chapter 38-14.1, North Dakota Administrative Code Article 69-05.2, and the terms and conditions of the Permit. This guarantee covers any and all demands, liabilities, charges, and expenses of whatsoever kind or nature, which the NDPSC may at any time sustain or incur by reason of or in consequence of having accepted the above listed Self-Bond of Permittee, including all litigation costs and all administrative costs reasonably incurred by NDPSC in any successful effort to enforce obligations and requirements of the Permittee with respect to the operation or activity that is bonded.
- II. This guarantee is a continuing guarantee and is to be in full force and effect until all the terms of the Permittee's Self-Bond listed above have been satisfactorily performed or otherwise discharged to the satisfaction of the NDPSC.

- III. Guarantor hereby fully consents to the following, none of which shall affect, change or discharge the obligations of this guarantee:
1. Renewals, revisions, modifications to the terms of the above listed Self-Bond which have been approved in writing by the Guarantor, including increases or decreases in the dollar amount of the bond, or the lands to which it applies, in accordance with North Dakota Century Code Chapter 38-14.1 and North Dakota Administrative Code Article 69-05.2.
 2. Extensions of time for performance of the whole or any part of the conditions of the above listed Self-Bond.
 3. Changes, revisions, modifications, or renewals to the Permit.
- IV. Guarantor expressly waives the following:
1. Notice of the acceptance of this guarantee by the NDPSC.
 2. Notice of renewals, revisions, or modifications to the above listed Self-Bond.
 3. Notice of changes, revisions, modifications or renewals to the Permit.
 4. Notice of any extensions of time for performance of the whole or any part of the condition of the above listed Self-Bond.
 5. All other notices to which Guarantor might otherwise be entitled in connection with this guarantee or the obligation hereby guaranteed.
 6. The institution of any civil actions or the exhaustion of legal remedies against the Permittee as a condition to enforcement of this guarantee.
 7. It is understood that any notice provided by the NDPSC to the Guarantor shall not constitute a release or modification of the above waivers.
- V. This guarantee is subject to the following conditions:
1. Any demand for funds shall be accompanied by a signed statement that the NDPSC has ordered the forfeiture, in whole or in part, of the above listed Self-Bond, with one copy of the order of forfeiture attached.
 2. This guarantee shall be limited in amount as follows:
 - a) Reclamation costs: the indebtedness reflected by the above listed Self-Bond existing at the time of bond forfeiture.
 - b) Litigation and administrative costs: the actual amount of such costs reasonably incurred in any successful effort to enforce requirements and obligations of the Permittee and/or the obligations of the Guarantor under this agreement. Litigation and administrative costs shall not be limited by the indebtedness reflected by the above listed Self-Bond.
 3. If the Permittee fails to complete the reclamation as required by North Dakota Century Code Chapter 38-14.1 and North Dakota Administrative Code Article 69-05.2 and the terms and conditions of the Permit, the Guarantor shall be required to complete the approved reclamation plan for the lands in default or pay to the State of North Dakota the amount necessary to complete the approved reclamation plan, not to exceed the bond amount, within ten (10) business days after receipt of NDPSC's demand for payment. Guarantor hereby agrees that demands for payment may be based and are payable on projections of costs or their actual accrual and that liability for payment shall not be contingent on the costs having been presently sustained.
 4. This guarantee may be cancelled only upon notice of cancellation being sent to the Permittee and the NDPSC at least ninety (90) days in advance of the proposed cancellation. The cancellation may be accepted by the NDPSC if the Permittee obtains a suitable replacement bond at least thirty (30) days before the proposed cancellation or if the lands covered by the bond have not been disturbed.

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- VI. This guarantee shall be and continue effective notwithstanding any present or future legal disability of the Permittee.
- VII. There are no conditions or limitations to this guarantee except those contained in this instrument as of the effective date, and thereafter no alteration, change or modification hereof shall be binding or effective unless executed in writing, signed by the Guarantor, and approved by the NDPSC.
- VIII. Guarantor agrees to pay all costs and expenses incurred by the NDPSC in any successful action instituted to enforce the terms of this guarantee.
- IX. This guarantee shall be good and effective notwithstanding any change or changes in the business name of the Permittee or Guarantor.
- X. No changes, revisions, modifications or renewals to the above listed Self-Bond or the Permit shall act as a release of the Guarantor from this guarantee.
- XI. All notices required to, or which may, be given shall be effective when received by the addressees at the addresses specified below:

1. For the Guarantor:

2. For NDPSC:

North Dakota Public Service Commission
 State Capitol
 12th Floor
 Bismarck, ND 58505

Personal delivery shall have the same effect as notice given by mail. Notices given by mail shall be sent by the United States certified mail, upon receipt requested.

- XII. In case of the insolvency, bankruptcy or dissolution of the Permittee, all funds represented by the above listed Self-Bond shall immediately become due and payable and this guarantee may thereupon be enforced.
- XIII. This guarantee is one of payment and not of collections.
- XIV. This guarantee is a binding contract and shall be construed under and subject to the laws of the State of North Dakota.
- XV. This Agreement may be executed in any number of identical counterparts, each of which, when executed and delivered by the parties hereto, shall be considered to be an original, but all of which shall collectively constitute one and the same instrument.

Date Effective

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SIGNATURES OF GUARANTOR:

Signature of President or Authorized Officer	
Name	Title

Signature of President or Authorized Officer	
Name	Title

State of _____)
) SS.
 County of _____)

The foregoing instrument was acknowledged before me on this date _____ by
 _____ and _____
 of _____, a _____
 corporation, on behalf of the corporation.

BY: _____
 NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

(S E A L)

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