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810. BONDING DEFINITIONS AND DIVISION RESPONSIBILITIES.

811. TERMS USED.

812. thru 812.700. DIVISION RESPONSIBILITIES -- BONDING.

820. thru 820.133. REQUIREMENT TO FILE A BOND.

The bonded area is shown on Maps 521.121a through 521.121d and Map 5-1 in Exhibit 233. The entire permit area is bonded. The current bond is filed on the form provided by the Division and for an amount equal to or exceeding the bond amount previously determined by the Division under R645-301-830. The current bond form is attached as Exhibit 820.100a, Reclamation Bond. The bond has been updated to include the soil borrow area.

820.200. thru 820.352. FORM OF THE PERFORMANCE BOND.

PMC will continue to use a surety bond to satisfy R645-301-800.

830. thru 830.130. DETERMINATION OF BOND AMOUNT.

The bond amount is determined by the Division.

830.140. DETAILED COST ESTIMATE.

PMC has determined a reclamation liability of $10,581,000 including regrading of the refuse pile to enhance reclamation, the cost of monitoring activities after initial seeding, and appropriate contingencies. See Exhibit 820.100a for further details.

830.200. thru 830.300. MINIMUM BOND AMOUNT.

Initially PMC bonded for $10,581,000 for reclamation of 173 acres of disturbed land. PMC proposed to add 24 acres of disturbance for a soil borrow area (refer to Exhibit 233). Appendix 8-1 of Exhibit 233 contains the bond calculations for the soil borrow area. In addition a copy of the bond summary sheet for the borrow area has been included in Exhibit 820.100a. After the Division has had an opportunity to review this permit application and determine the bond amount based on the calculation of the revised reclamation liability a new Reclamation Agreement and bond for the amount determined by the Division will be provided by PMC. A copy of the current bonding form is presented as Exhibit 820.100a.

The bond amount will be revised as phases of the reclamation plan are deemed by the Division to be complete. Any revised reclamation liability amount reflects the addition of all revisions to the permit application, and assures performance of reclamation, restoration and abatement work associated with PMC's underground coal mining activities.

830.400. thru 830.500. ADJUSTMENT OF AMOUNT.

PMC agrees to re-evaluate the performance bond from time to time when the permit acreage is revised, standards of reclamation change, or when the cost of future reclamation work changes.
PMC will, from time to time, request reduction of the performance bond amount when circumstances warrant a reduction.

840. thru 840.520. GENERAL TERMS AND CONDITIONS OF THE BOND.

The bond purchased by PMC meets the General Terms and Conditions.

850. thru 850.320. BONDING REQUIREMENTS FOR UNDERGROUND.

The bond will remain in full force until the reclamation is completed as outlined in the approved Mining and Reclamation Plan. It is not anticipated that the bond will be fully released less than five years after seeding of the disturbed acreage.

Long-term intensive agricultural postmining land use is not anticipated.

860. FORMS OF BONDS.

860.100. thru 860.120. SURETY BONDS.

The PMC bond is a surety bond.

860.200. thru 860.260. COLLATERAL BONDS.

PMC will not use a collateral bond.

860.300. thru 860.380. SELF-BONDING.

PMC will not self bond.

870. thru 870.200. REPLACEMENT OF BONDS.

If PMC replaces its current bond the replacing bond will provide equivalent coverage and conditions.

880. thru 880.932. REQUIREMENT TO RELEASE PERFORMANCE BONDS.

PMC commits to the requirements of R645-301-880. through R645-301-880.932. Phase II bond release was granted to PMC by the Division effective June 12, 2008, reducing the remaining bond amount to $734,000 (see Exhibit 880.100a). PMC received Phase III bond release on the 40 acres of land in SE/4 SE/4 Sec. 9, T. 15 S., R. 8 E. that was purchased by ConocoPhillips for use in natural gas production in June of 2010 reducing the bond amount to $672,000 (see Exhibit 880.100b). PMC now requests Phase III bond release of the entire remaining bond amount which is $672,000 (see Exhibit 880.200).

890. thru 890.400. TERMS AND CONDITIONS FOR LIABILITY.

The certificate of liability insurance is in Exhibit 117.100a (2).