

**NOTE TO ISSUER: if mining operations are on BLM lands, please include the yellow highlighted verbiage. If the mining operations are on FEE lands or Trust Lands only, please delete the yellow highlighted verbiage.**

LOC

Form Last Revised – February 2, 2007

**ATTACHMENT A**

Letter of Credit No. \_\_\_\_\_

Issue Date: \_\_\_\_\_

Issuing Bank: \_\_\_\_\_ (name)

\_\_\_\_\_ (address)

\_\_\_\_\_ (telephone)

\_\_\_\_\_ (email)

Beneficiary:

STATE OF UTAH  
UTAH DIVISION OF OIL, GAS AND MINING (DOG M)  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801 **[this address required if using United States Postal Service for delivery]**

STATE OF UTAH  
UTAH DIVISION OF OIL, GAS AND MINING (DOG M)  
1594 West North Temple Suite 1210  
Salt Lake City, Utah 84116 **[this address required if using any other delivery service]**

**For itself and as agent for:**

**Bureau of Land Management (BLM)**  
**UTAH STATE OFFICE**  
**440 West 200 South Suite 500**  
**Salt Lake City, Utah 84101**

Re: [name of mine operator, mine name, DOGM issued permit number and **BLM issued UTU Number(s)**]

Gentlemen and Ladies:

1. \_\_\_\_\_ [Name of Bank or Bank], ("Bank"), of  
\_\_\_\_\_ [city/state], hereby establishes this irrevocable letter of credit  
(the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") **for itself and as agent for the**  
\_\_\_\_\_ [Cooperative Agency] (collectively, the  
**"Beneficiaries"**) for an aggregate amount not to exceed \$ \_\_\_\_\_ [reclamation cost estimate]

in United States dollars ("Face Amount") effective immediately; on behalf of \_\_\_\_\_( "Operator") for \_\_\_\_\_ mining operation under DOGM Issued Permit No. \_\_\_\_\_, BLM No. \_\_\_\_\_.

2. This letter of credit will expire the date upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Mountain time) on \_\_\_\_\_(date) or (b) the date upon which sufficient documents are executed by the Division to release \_\_\_\_\_ ["Operator"] from further liability for reclamation of the \_\_\_\_\_ [mine name], \_\_\_\_\_ [DOGM Issued Permit No.], \_\_\_\_\_ [BLM No.] with notice to Bank by the Division accompanied by the original Letter of Credit with directions for termination.

3. This Letter of Credit issued on \_\_\_\_\_[date of issuance] will be automatically extended for successive periods of one year from the current or any future issuance date unless 90 days prior to the issuance date of the following year, the Bank sends notice to the Division by any courier service or by registered United States mail 'return receipt requested' that the Bank elects NOT to extend the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. \_\_\_\_\_ delivered to the office of the Bank, \_\_\_\_\_ - \_\_\_\_\_ [address]. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.

5. If the Bank receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the termination of this Letter of Credit, the Bank will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the Bank's receipt of the sight draft and certificate and in such a manner as the Division may specify. "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in the State of \_\_\_\_\_ [State of issuing Bank Charter] are authorized or required by law to close.

6. The Bank will give prompt notice to the Operator and to the Division Director 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.

7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform

Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

8. All communications regarding this Letter of Credit will be addressed to the Bank \_\_\_\_\_ [address and telephone number], referencing Letter of Credit No. \_\_\_\_\_.

9. In the event the Bank gives notice to the Division that the expiration date of the Letter of Credit will not be extended, the Division may, until the current expiration date of the Letter of Credit, draw under the Letter of Credit against its sight draft(s) in accordance with the provisions of Paragraph 4.

Very truly yours,

\_\_\_\_\_  
Name of Bank

By: \_\_\_\_\_  
(Name typed or printed)

\_\_\_\_\_  
(Authorized Signature)

Title: \_\_\_\_\_

**EXHIBIT A - SIGHT DRAFT**  
to  
Letter of Credit Number \_\_\_\_\_

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Date	City, County	Letter of Credit No.
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PAY TO THE ORDER OF: Utah Division of Oil, Gas and Mining,  
\_\_\_\_\_ DOLLARS

TO: (Name of Bank or Bank)  
and  
(Address)

Utah Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

By: \_\_\_\_\_  
Authorized Signature

**EXHIBIT B**

**to**  
**Letter of Credit Number** \_\_\_\_\_

I, \_\_\_\_\_ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$\_\_\_\_\_, by sight draft accompanying this certificate, under Letter of Credit No. \_\_\_\_\_ dated \_\_\_\_\_ issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the \_\_\_\_\_ (name of mine) , number \_\_\_\_\_ (DOGM issued permit number) in accordance with applicable law.

The Utah Division of Oil, Gas and Mining

By: \_\_\_\_\_  
Authorized Signature  
The Utah Division of Oil, Gas and Mining

Date \_\_\_\_\_

