

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
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**EXPLORATION RECLAMATION CONTRACT**

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between \_\_\_\_\_ the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct exploration operations under Notice of Intention (NOI) File No. \_\_\_\_\_ which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the exploration operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the exploration operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the exploration operations conducted or to be conducted pursuant to a Complete Notice of Intention. If the Notice of Intention to Conduct Exploration Operations affects more than five (5) acres, the Operator further agrees to reclaim in accordance with the mining and reclamation plan (Reclamation Plan) approved by the Division.
2. A Notice of Intention to Conduct Exploration is valid until November 30<sup>th</sup> of the year following submittal. Reclamation required by this Contract and the Reclamation Plan, must be completed within that time unless an operator prior to expiration notifies the Division in writing specifying the reasons an extension is required. Failure to make a request and pay the fees as required

may result in suspension of the Operator's authorization to conduct exploration operations.

3. The Lands Affected by the exploration operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the exploration operations including but not limited to on-site private ways, roads, and railroads; land excavations; drill sites or workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, or waste discharge areas, structures, and facilities; shafts, drill holes, and pits or cuts; and
  - B. All exploration disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by exploration or mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the exploration operations as described in the Complete NOI.
4. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI, which are intended to assist in determining the location of the exploration operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
5. The Operator prior to commencement of any exploration operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
6. If the Surety expressly provides for cancellation or termination for non-renewal:

- i. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
  - ii. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further exploration activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the exploration operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.
7. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by exploration operations in accordance with the Act and regulations, as amended. If the Operator desires to extend the exploration operations beyond November 30<sup>th</sup> of the year following submittal or if the exploration operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
8. If reclamation of discrete sections of the Lands Affected by the exploration operations is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the exploration area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining exploration operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
9. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.

10. Operator agrees to pay all legally determined public liability and property damage claims resulting from exploration operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
11. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
12. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.
13. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease exploration operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
14. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
15. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
16. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the exploration operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.





**FACT SHEET**

**Commodity:** \_\_\_\_\_

**Mine Name:** \_\_\_\_\_

**Permit Number:** \_\_\_\_\_

**County:** \_\_\_\_\_

**Acres:** \_\_\_\_\_

**Total Number of Holes:** \_\_\_\_\_

**Wet:** \_\_\_\_\_ **Dry:** \_\_\_\_\_

**Number of Holes permitted:** \_\_\_\_\_

**Wet:** \_\_\_\_\_ **Dry:** \_\_\_\_\_

**Operator Name:** \_\_\_\_\_

**Operator Address:** \_\_\_\_\_

**Operator phone:** \_\_\_\_\_

**Operator Fax:** \_\_\_\_\_

**Operator Email:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_

**Surety Type:** \_\_\_\_\_

**Surety Amount:** \_\_\_\_\_

**Account number:** \_\_\_\_\_

**Tax ID or SS number (required for cash only):** \_\_\_\_\_

**Surface owner:** \_\_\_\_\_

**Mineral owner:** \_\_\_\_\_

**Other reference numbers:** \_\_\_\_\_

**\*\*\*DOGM Contact: Penny Berry, State of Utah, Division of Oil Gas and Mining, 801 538 5291 or bondcoordinator@utah.gov**