

DEPARTMENT OF ENVIRONMENTAL PROTECTION
Bureau of Mining Programs

DOCUMENT NUMBER: 563-2504-501

TITLE: Qualifying, Processing, and Tracking Financial Guarantees and Bond Credits

EFFECTIVE DATE: April 28, 2012

AUTHORITY: 25 PA Code §§ 86.281 - 86.295

PURPOSE: The purpose of this document is to provide guidance to evaluate, process, and track Remining Financial Guarantees and bond credits.

APPLICABILITY: This guidance applies to all activities involving Remining Financial Guarantees or bond credits for coal remining and reclamation.

DISCLAIMER: The policies and procedures outlined in this guidance document are intended to supplement existing requirements. Nothing in the policies or procedures shall affect regulatory requirements.

The policies and procedures herein are not an adjudication or a regulation. There is no intent on the part of the Department to give these rules that weight or deference. This document establishes the framework, within which DEP will exercise its administrative discretion in the future. DEP reserves the discretion to deviate from this policy statement if circumstances warrant.

PAGE LENGTH: 17 Pages

DEFINITIONS: **Abandoned Mine Lands** - For the purposes of this subchapter, unreclaimed lands affected by surface or underground coal mining or coal refuse disposal activities, including bond forfeiture sites for which the bonds have been collected by the Department.

Bond Credit - A specified amount of money reserved by the Department in the Remining Financial Assurance Fund under Section 4.13 of the Act (52 P.S. §1396.4m) to be used by an operator to meet the bonding requirements of Section 4 of the Act.

Remining Financial Guarantee - A specified amount of money reserved by the Department in the Remining Financial Assurance Fund for a qualified operator's permitted remining area as authorized by Section 4.12 of the Act.

Remining - Reaffecting and reclaiming abandoned mine lands, under a coal mining activity permit, which exhibit one (1) or more of the

following features: highwalls, spoil piles, abandoned buildings, unsealed deep mine openings, subsidence features, safety hazards, exposed or unvegetated coal refuse, a source of excess settleable solids to stream flow or pollution abatement areas as that term is defined in §§87.202 and 88.502.

Remining Area - An area of land on which remining will take place, including that amount of previously undisturbed area up to 300 feet (91.44 meters) from the edge of the unreclaimed area which must be affected to achieve a final grade compatible with adjacent areas. Additional undisturbed land may be within a remining area if the permittee demonstrates that a larger area is needed to accomplish backfilling and grading of the unreclaimed area or is needed for support activities for the remining activity.

APPENDICES:

Appendix A. REMINING FINANCIAL GUARANTEES

Operator Qualification Form
Notification Letter

Appendix B. BOND CREDITS

Bond Credit Letter
Endorsement for Use
Endorsement for Release
Endorsement for Transfer

TECHNICAL GUIDANCE

Remining Financial Guarantees

I. PURPOSE:

The purpose of the Remining Financial Guarantees Program is to provide funds to financially assure bonding obligations under §86.143 for qualified operators who engage in remining. Qualified operators may utilize the Remining Financial Guarantees Program to bond remining areas on a surface mining permit in lieu of the typical surety or collateral bonding mechanisms.

II. INTENT:

The intent of the Remining Financial Guarantees Program is to provide incentives for mine operators to reaffected and reclaim abandoned mine lands through remining. The benefits of this program are reduced annual payments, no collateralization, and waiver of the per acre reclamation fee for the remining areas bonded under this program.

III. ESTABLISHMENT OF THE REMINING FINANCIAL GUARANTEES PROGRAM:

A portion of the Remining Financial Assurance Fund has been set aside in a special account for the Remining Financial Guarantees Program to be utilized as the reserve to financially assure the bonding obligations incurred under the program. An adjusted historical rate of bond forfeiture will be utilized to calculate the total amount of the Remining Financial Guarantees to be obligated under this program. The adjusted historical rate is determined by adding a margin of safety of 25% to the historical rate of forfeiture. The dollar amount in the special account is divided by the adjusted historical rate of bond forfeiture to determine the maximum amount of the Remining Financial Guarantees to be obligated in the program.

The historical rate of bond forfeiture will be determined through a risk analysis that will take into consideration the number of permits with Remining Financial Guarantees that have been forfeited and the amount of money spent out of the account to reclaim the forfeited sites. The current historical rate of bond forfeiture is 6%. Therefore, the adjusted historical rate is set at 7.5%. The total amount of Remining Financial Guarantees to be obligated will be determined by dividing the current amount in the special account by 7.5%. For example, if the amount placed in the special account is \$1,200,000, the total amount of Remining Financial Guarantees to be obligated shall not exceed \$16,000,000. The dollar amount of Remining Financial Guarantees to be obligated will be reviewed periodically and the limitations on use will be adjusted accordingly.

IV. REMINING FINANCIAL GUARANTEES PROGRAM REQUIREMENTS:

Qualified operators can request to use Remining Financial Guarantees instead of normal commercial bonding to assure their bonding obligations under §86.143 for the remining areas on a surface mining permit.

A. Operator Qualification:

To participate in the Remining Financial Guarantees Program the coal operator shall demonstrate that:

- The operator holds a valid coal mining license.
- The operator, or a related party, as defined by §86.1 satisfies the criteria for permit approval under §86.37(a)(8)-(11) and (16) (relating to criteria for permit approval or denial).
- The operator, or a related party, as defined by §86.1 has no liability for reclamation or pollution at the abandoned mine lands to be remined.
- The operator's past history of compliance with environmental laws does not indicate a lack of intention or ability to comply with those laws or the regulations promulgated thereunder.

In addition, the operator shall demonstrate to the Department's satisfaction one (1) of the following:

1. They would be able to post a collateral bond otherwise required by the regulations and demonstrate appropriate experience in coal mining and reclamation. The operator is considered to be able to post a collateral bond by showing a ratio of current assets to current liabilities of 1.5 or greater and a ratio of total liabilities to tangible net worth of 3 or less for the operator's most recently completed fiscal year and the two (2) preceding fiscal years.

The demonstration shall include a notarized statement signed by the operator and an independent certified public accountant, an officer of a financial institution with which the operator conducts business, or other person or entity responsible for the accounts of the operator. The statement shall list the operator's ratio of current assets to current liabilities and the operator's ratio of total liabilities to tangible net worth for the most recently completed fiscal year and the two (2) preceding fiscal years. The operator shall demonstrate appropriate experience in coal mining and reclamation by showing that he has had a coal mining license for five (5) years or the person designated by the operator to manage the operation has a minimum of five (5) years of experience in coal mining and reclamation.

2. The operator would be able to obtain a surety bond otherwise required under this chapter. The operator shall demonstrate this by submitting a letter of acceptance from a surety company licensed to do business in Pennsylvania and which writes bonds for reclamation of mine sites located in this commonwealth. The acceptance letter shall indicate the complete name and address of the surety company and state that the surety company would write the bond for the amount of the reclamation liability on the permit.
3. The operator would be eligible to self-bond under §86.159 (relating to self-bonding).

4. The operator has previously participated in the Remining Financial Guarantee program and met its reclamation obligations and made timely payments. For this qualification, an operator is deemed to have met their reclamation obligations if they are in compliance with the contemporaneous reclamation requirements of §87.140 on their other mining permits and, if applicable, on the permit where they are using the Remining Financial Guarantee.

The operator will submit the Operator Qualification Form (Appendix A.1), provided by the Department, indicating which of the above options the operator wishes to use to demonstrate their qualifications to participate in the program along with the supporting documentation.

B. Site Qualification:

For a project to be approved under the Remining Financial Guarantees Program the operator shall demonstrate that:

- The proposed activity is technologically and economically feasible at the abandoned mine site and will not result in a violation of applicable effluent limitations or water quality standards.
- The operator must submit a mining permit application clearly indicating which areas the operator intends to remine and which areas, if any, are to be mined for the first time.
- The operator has accurately calculated the amount of bond that would be needed to cover the area to be remined.
- The operator has the right to enter onto and affect the property and, if applicable, the right to remove structures or materials, including soil, spoils, rock, coal or coal refuses.

C. Limitations:

A special account in the Remining Financial Assurance Fund may be used to financially assure bonding obligations under §86.143 (relating to requirement to file a bond) of a qualified operator engaged in remining. For each approved permit of an eligible operator for a remining area, the Department will designate a specified amount of the Remining Financial Guarantees special account in the Remining Financial Assurance Fund to financially assure reclamation obligations on the permit with an approved remining area. The specific amount designated will be the estimated cost for the Department to reclaim the remining area.

An operator may not obtain Remining Financial Guarantees on a permit in excess of 10% of the amount in the special account, and the total amount of Remining Financial Guarantees on permits issued to the operator cannot exceed 30% of the amount in the special account. For example, if the amount in the special account is \$1,200,000, the maximum amount of Remining Financial Guarantees allowed on a permit would be

\$120,000 and the maximum aggregate amount of Remining Financial Guarantees for an operator would be \$360,000.

The amount of the Remining Financial Guarantees on a permit will be determined by calculating the bond liability for the remining area using the current bonding rate guideline.

An operator may not substitute Remining Financial Guarantees for existing collateral or surety bonds.

D. Procedures:

Upon completion of the technical review of a permit application and approval of an operator to participate in the Remining Financial Guarantees Program, the following procedures shall be followed:

1. When an application for a bonding increment is technically complete, the Department will calculate the amount of the annual payment required under the program. The amount of the annual payment will be 1% of the total amount of the bond liability for the remining area to be affected determined by using the Department's current bond rates guidelines.
2. An operator approved to participate in the Remining Financial Guarantees Program is not required to pay the per acre reclamation fee for the remining area.
3. The Department will notify the operator that the application to participate in the program is approved and specify the amount of the annual payment (Appendix A.2). The first payment is due prior to the issuance of the permit.
4. An operator can bond additional remining area on subsequent bonding increments if the additional area will not cause the operator to exceed the limitations of the maximum amount of Remining Financial Guarantees allowed on a permit or for an operator.
5. Payments shall be made on an annual basis to the District Mining Office, and must be received on or before the anniversary date of the bonding increment issuance. Payments will be made annually until the amount of the bond is reduced or released in accordance with §§86.170-86.172 (relating to scope; procedures for seeking release of bond; and criteria for release of bond).
6. Payments are not refundable and will be deposited into the Remining Financial Assurance Fund.
7. If a discharge not meeting the effluent criteria develops on a permit on which a Remining Financial Guarantee is being used, the operator shall within 90 days of receipt of written notice by the Department replace the Remining Financial Guarantee with other types of financial assurance mechanisms authorized for the purpose of covering the costs of treating the discharge.

E. Tracking:

Remining Financial Guarantees are tracked in eFACTS as bonding instruments. The Mining – Financial Guarantee Handbook contains specific instructions pertaining to entering information into eFACTS.

Requests to participate in the Remining Financial Guarantees Program will be submitted to the appropriate District Mining Office. The staff will review and approve requests in accordance with the regulations. The district staff will determine the Remining Financial Guarantees amount available to the operator by running the Bond Inventory Report.

Once the Remining Financial Guarantee is approved the district office staff will email the memorandum to Contracts, Procurement & Bonding Division by using the email address **EP-Bonding FGs**. The memorandum will include; Bond Agreement Amount (amount of Remining Financial Guarantee), Company Name, Permit Number, DMO, indicate if it is a new permit or additional bond on existing permit, RFG No, Inst Type: GUAR, Status: APPRD, Original Amount (total bond liability on the permit), Financial Guarantor Client ID, Proposed Acres to be Reclaimed, DEP Cost of reclaiming the remining area.

Contracts, Procurement & Bonding Division will complete the bond record in eFACTS. The district office staff will input payments into the Fee Collection screen in eFACTS.

The Bureau of Mining Programs will designate a person to act as the Remining Financial Assurance Fund Coordinator. This person will receive copies of all correspondence involving the Remining Financial Guarantees Program. The Remining Financial Assurance Fund Coordinator will monitor the obligations under the program to ensure the limitations established in the regulations are not exceeded, will coordinate payments for forfeitures where Remining Financial Guarantees are obligated to ensure the reclamation of a mine site, and monitor compliance with §86.284 (d) and (e) (relating to forfeiture).

F. Bond Release:

The amount of the Remining Financial Guarantee obligation will be reduced or released in accordance with §§86.170-86.172 (relating to scope; procedures for seeking release of bond; and criteria for release of bond).

The obligation covered by the Remining Financial Guarantees Program bond will be reduced or released prior to any other bond on that permit.

Bond Credits

I. PURPOSE:

The purpose of the Bond Credit Program is to provide funds to financially assure bonding obligations under §86.143 for qualified operators. The program provides incentives for the reclamation of abandoned mine lands by allowing a mine operator to earn bond credit for reclamation work completed under an agreement with the Department. It is important to note that the Department will not be paying cash for the reclamation completed under this program. The Department will issue a bond credit letter that can be used on coal mining permits in lieu of conventional bonds.

II. INTENT:

The intent of the Bond Credit Program is to encourage coal mine operators to continue reclaiming abandoned mine lands by providing a bond credit for their reclamation work.

III. ESTABLISHMENT OF BOND CREDIT PROGRAM:

The Bond Credit Program was established by the 1996 amendments to the Surface Mining Conservation and Reclamation Act. These amendments authorized funds from the Land & Water Development Fund to be used to establish the Remining Financial Assurance Fund. A portion of the Remining Financial Assurance Fund has been set aside in the special account for the Bond Credit Program. It will be utilized as the reserve to financially assure the bonding obligations incurred under this program.

IV. BOND CREDIT PROGRAM REQUIREMENTS:

A qualified mine operator can obtain bond credit for reclamation work completed under an agreement with the Department. The amount of the bond credit given for a reclamation project will be the lesser of the operator's estimated cost or the Department's estimated costs. The bond credit can be used to satisfy the operator's bonding obligation on any coal mining permits issued by the Department. Each bond credit can be used two (2) times. The operator may also transfer the bond credit to another operator. Bond credits will be the first bonds released on a mining permit, ahead of surety or collateral bonds on the mine site.

The coal operator initiates the process of obtaining bond credits by discussing a reclamation project and the initial cost estimate for the project with the appropriate District Mining Office. The District Mining Office will verify the availability of funds and whether the operator and the site qualify for the bond credit program. If the tentative plan is acceptable, funds based on the estimated cost of the project will be reserved for 30 days to allow the operator time to submit a reclamation plan.

A. Operator Qualification:

To participate in the Bond Credit Program the coal operator shall demonstrate that:

- The operator holds a valid coal mining license.

- The operator, or a related party as defined by §86.1, satisfies the criteria for permit approval under §86.37(a)(8)-(11) and (16) (relating to criteria for permit approval or denial).
- The operator, or a related party as defined in §86.1, has no liability for reclamation or pollution at the proposed reclamation project site.
- The operator's past history of compliance with environmental laws does not indicate a lack of intention or ability to comply with those laws or the regulations promulgated thereunder.

B. Site Qualification:

For a project to be approved for reclamation under the Bond Credit Program the operator shall demonstrate that:

- The proposed activity is technologically and economically feasible at the identified abandoned mine site and will not result in a violation of applicable effluent limitations or water quality standards.
- The operator has the right to enter onto and affect the property and, if applicable, the right to remove structures or materials, including soil, spoil, rock, coal or coal refuse.

C. Procedures:

1. The operator must submit a reclamation plan for the site. The plan will include:
 - A brief narrative describing how reclamation will be accomplished including a cost estimate and a proposed project completion date.
 - A U.S.G.S. topographic map with the proposed reclamation site delineated.
 - Right-of-Entry forms for each property to be affected. (Examples are available from the District Mining Office.)
 - An operation map accurately delineating the property(s) to be affected, the location of support facilities and reclamation details. Simple reclamation projects do not have to have a professional engineer or professional surveyor's seal on the maps and plans. The requirement to have an engineer or land surveyor seal the maps and plans should be handled on a case-by-case basis and should be discussed with the District Mining Office during the initial discussions on site feasibility.
 - An erosion and sedimentation control plan that meets the requirements of 25 Pa. Code Chapter 102.

- A revegetation plan which includes a description of the soil/top material to be used, nutrients and soil amendments to be added, seed bed preparation, seed mixtures and application rates and woody plant species to be planted with proposed survival rates.
 - Applicable stream and wetland encroachments and NPDES permits. The appropriate District Mining Office will issue the stream and wetland encroachment permits in accordance with the current procedures for mining activities.
 - The general permit for erosion and sediment control on construction projects (General Permit PAG-2) may be used when the discharge is not to a “Special Protection” watershed; and, the discharge is from a site from one (1) acre to less than five (5) acres of earth disturbance with a point source discharge, or the discharge is from a sites of with five (5) or more acres of earth disturbance without a point source discharge. . The PAG-2 is for sites where the discharges are composed entirely of stormwater and do not contain toxic or hazardous pollutants. The District Mining Office will approve the general permit along with the reclamation plan approval.
 - If the point source discharge is from treatment facilities or if the activities do not qualify for coverage under PAG-2 listed above, an individual NPDES permit must be obtained following the procedures currently used on mining permits.
2. The Department will review the reclamation plan and calculate the Department’s cost to reclaim the site. The amount of the bond credit will be the lesser of the operator’s cost and the Department’s cost. The Department’s cost will be determined utilizing the current bond rate guidelines. Engineering costs for preparing the reclamation plan may be included in the operator’s cost estimate.

When the plan is approved and the amount of the bond credit determined, the Department and the operator will enter into a consent order and agreement specifying what work will be completed, the estimated completion date, and the amount of the bond credit to be given for the work. The Department will reserve the amount of the bond credit to be awarded as soon as the agreement is finalized. This will ensure the funds will be available once the reclamation is completed.

When the work is completed in accordance with the consent order and agreement, the site will be monitored to ensure successful revegetation. Sites revegetated with grasses will be monitored for at least one (1) year from the date of initial planting. Sites revegetated with trees will be monitored for two (2) growing seasons (spring and fall).

The Department will issue the bond credit letter once the work has been completed and vegetation successfully established. The operator can submit the bond credit letter to bond areas on coal mining permits issued by the Department or they may transfer the bond credit to another qualified operator. A bond credit can be used two (2) times. The operator has five (5) years from when the bond

credit becomes available to use the bond credit for the first time, and five (5) years after the first use ends to use the bond credit for a second time. The Department will send a reminder letter to the operator when there is one (1) year remaining in which to use a bond credit. The transfer of bond credits will not count as one (1) of the two (2) uses of the bond credit.

D. Tracking:

The amount reserved in the special account to guarantee the bond credits to be awarded for a particular reclamation project will be tracked in a database located on the Department's local area network. The history of the bond credit will be recorded in the database by the district mining staff. The history will include issuance of the bond credit, transfers of bond credit, use of bond credit, and releases of bond credit.

The Bureau of Mining Programs will designate a person to act as the Remining Financial Assurance Fund Coordinator. This person will receive copies of all correspondence involving the bond credit program. The Remining Financial Assurance Fund Coordinator will monitor the obligations under the program to ensure the limitations established in the regulations are not exceeded, and will coordinate payments for forfeitures where bond credits are obligated to ensure the reclamation of a mine site.

E. Bond Release:

The amount of the bond obligation covered by a bond credit will be reduced or released in accordance with §§86.170-86.172 (relating to scope; procedures for seeking release of bond; and criteria for release of bond).

The bonding obligation covered by the bond credit will be reduced or released prior to any other bond submitted by the operator to cover the reclamation obligations on that permit. A particular use will not end until the bond credit is released from the permit.

APPENDIX A

REMINING FINANCIAL GUARANTEES

1. Operator Qualification Form

FINANCIAL GUARANTEES TO ENSURE RECLAMATION QUALIFICATION FORM

The Remining Financial Assurance Fund has a special account providing Remining Financial Guarantees for qualified operators conducting remining. The Department may use the funds in this special account to financially assure the bonding obligations required by 25 Pa. Code §86.143 (relating to requirement to file a bond) of a qualified operator engaged in Department approved remining. To be qualified, an operator must meet all the criteria for permit approval, have no liability for reclamation or pollution at the proposed abandoned mine site and demonstrate one (1) of the following:

(Please indicate which option you wish to use to qualify.)

- ☐ The operator will demonstrate the ability to post a collateral bond otherwise required by this chapter by meeting the following conditions for the operator's most recently completed fiscal year and the two (2) preceding fiscal years: 1) a ratio of current assets to current liabilities of 1.5 or greater, and 2) a ratio of total liabilities to tangible net worth of 3 or less.

The demonstration must include:

- A. A notarized statement signed by the operator and an independent certified public accountant, an officer of a financial institution with which the operator conducts business or other person or entity responsible for the accounts of the operator. The statement shall list the operator's ratio of current assets to current liabilities and the operator's ratio of total liabilities to tangible net worth for each of the years.
- B. Evidence that the operator has had a coal mining license under Section 3.1 of the Act for five (5) years or the person designated by the operator to manage the operation has a minimum of five (5) years of experience in coal mining and reclamation.

OR

- ☐ The operator would be able to obtain a surety bond by submitting a letter of acceptance from a surety company licensed to do business in this commonwealth and which writes bonds for reclamation of mine sites located in this commonwealth. The acceptance letter must indicate the complete name and address of the surety company and state that the surety company would write the bond.

OR

- ☐ The operator would be eligible to self-bond under 25 Pa Code §86.159 (relating to self-bonding.)

OR

- ☐ The operator has previously participated in the remining Remining Financial Guarantee program and met its reclamation obligations and made timely payments.

APPENDIX A

REMINING FINANCIAL GUARANTEES

2. Notification Letter

NAME OF OPERATOR
STREET
CITY, PA ZIPCODE

RE: Remining Financial Guarantee to Ensure Reclamation
Remining Financial Guarantee No
Name of Operator
BI #
Township, County

Gentlemen:

We have reviewed and approved your application for participation in the Remining Financial Guarantees Program under Section 4.12 of the Surface Mining Conservation and Reclamation Act and 25 Pa. Code Section 86.281 of the Department's rules and regulations for the permit listed above.

To ensure reclamation obligations on the remining area as approved in your permit, the total amount of Remining Financial Guarantees available under this application is (**\$dollar amount**). The premium payment now due in connection with the Remining Financial Guarantee is (**\$dollar amount**).

Your next premium payment of (**\$numerical amount**) will be due one (1) year after the date of the issuance of your Remining Financial Guarantee. Premium payments may be adjusted annually to reflect any increase, decrease or release of your Remining Financial Guarantees, however, any premium payments that have been made are NOT refundable, in whole or in part.

The obligation covered by the Remining Financial Guarantees will be reduced or released prior to any other bond submitted to cover the reclamation obligations on the above referenced permit. The Remining Financial Guarantees may not be used to cover the reclamation obligation on another section of the permit area. Should you have any questions, please contact me at the above referenced number.

Sincerely,

Chief
Permit Section
District Office

cc: each DMO
Division of Certification, Licensing and Bonding
Remining Financial Assurance Fund Coordinator

APPENDIX B

BOND CREDITS

1. Bond Credit Letter

NAME OF OPERATOR
STREET
CITY, PA ZIPCODE

RE: Bond Credit
Consent Order and Agreement dated (date of agreement)
Bond Credit No. (USE DISTRICT ORGANIZATION CODE PLUS SEQUENCE #) (For example, 4860-01 for the first bond credit issued by Knox)

Gentlemen:

On (date), we inspected the reclamation activities conducted under Consent Order and Agreement No. (number), dated (date). We have determined the reclamation meets the requirements set forth in the Consent Order and Agreement and reclamation plan

You are hereby granted a bond credit in the amount of **(write out amount) (\$numerical amount)**. You may use this bond credit or a portion of the bond credit on a single permit or on multiple permits to satisfy the bonding requirements under 25 Pa. Code Section 86.143. This bond credit may be used in combination with other types of bonds, however, it may NOT be used alone or in combination with other types of bonds to bond loss or diminution of water supplies or treatment of post-mining discharges.

You have five (5) years from the date of this letter to use this bond credit for the first time. This bond credit may be used by you a second time, however, you may not use this bond credit for the second time until the Department provides you a written release of this bond credit from its first use. Please note: Any portion of this bond credit not being used for the first time will expire five (5) years from the date of this letter. Any portion of this bond credit which is released and not used a second time will expire five (5) years from the date of release. The expiration provisions include any portion of this bond credit that has been transferred.

This bond credit, in its entirety or a portion, may be transferred to a qualified mine operator approved by the Department. The transfer of this bond credit will not take effect until the transferee mine operator is approved by the Department.

When you wish to use your bond credit, please submit this letter to the appropriate district mining office. Any adjustments to your bond credit will be made by endorsement to this letter. Bond credits will be released prior to any other type of bond you may have posted on the same permit.

This bond credit letter is not intended by the Department to be either an investment security or a negotiable instrument under Divisions 8 and 3 of the Pennsylvania Uniform Commercial Code.

Sincerely,

District Mining Manager

cc: each DMO
Division of Certification Licensing and Bonding
Remining Financial Assurance Fund Coordinator

APPENDIX B

BOND CREDITS

2. Endorsement for Use

ENDORSEMENT (Sequence number)
TO BOND CREDIT (enter number)

NAME OF OPERATOR
STREET
CITY, PA ZIPCODE

RE: Bond Credit
Consent Order and Agreement dated (date of agreement)
Bond Credit No. (4860-01)

Gentlemen:

This is to inform you that the bond credit referenced above has been applied to the following surface mining permit. Your bond credit balance has been adjusted as follows:

<u>Bond Increment Number</u> <i>(enter BI number)</i>	<u>Amount of Bond Credit</u> <i>(enter amount of bond credit)</i>	<u>Date Issued</u> <i>(enter date BI issued)</i>
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Previous Credit Available = \$(enter dollar amount)

Amount Used = \$(enter dollar amount)

Remaining Bond Credit Available = \$(enter dollar amount)

Sincerely,

District Mining Manager

cc: each DMO
Division of Certification, Licensing and Bonding
Remining Financial Assurance Fund Coordinator

APPENDIX B

BOND CREDITS

3. Endorsement for Release

ENDORSEMENT (Sequence number)
TO BOND CREDIT (enter number)

NAME OF OPERATOR
STREET
CITY, PA ZIPCODE

RE: Bond Credit
Consent Order and Agreement dated (date of agreement)
Bond Credit No. (4860-01)

Gentlemen:

This is to inform you that completion report #(enter number) on surface mining permit #(enter number) was approved on (enter date). The above referenced bond credit has been adjusted as follows:

(Stage of Release) (Number of Acres) @ \$(Rate per Acre) = \$(Total Amount)

(NOTE: list each stage of release as above)

Total Amount Released = \$(Enter total from C.R.)

Previous Credit = \$(Enter amount)

Total Credit Available = \$(Enter amount)

Sincerely,

District Mining Manager

cc: each DMO
Division of Certification, Licensing and Bonding
Remining Financial Assurance Fund Coordinator

APPENDIX B

BOND CREDITS

4. Endorsement for Transfer

ENDORSEMENT (Sequence number)
TO BOND CREDIT (enter number)

NAME OF OPERATOR
STREET
CITY, PA ZIPCODE

RE: Bond Credit
Consent Order and Agreement dated (date of agreement)
Bond Credit No. (4860-01)

Gentlemen:

This is to inform you that the transfer of the bond credit from (name of old operator) to (name of new operator) in the amount of **(write out amount) (\$numerical amount)** has been approved. The bond credit may be used (enter either one (1) or two (2)) times.

Any use of this bond credit must occur before (enter date). Any portion of this bond credit not used by (enter date) will expire. All terms and conditions of the bond credit letter not changed by this Endorsement remain in full force and effect. PLEASE KEEP THE BOND CREDIT LETTER AND THIS ACCOMPANYING ENDORSEMENT IN A SAFE PLACE. THIS IS THE RECORD OF THE ESTABLISHMENT OF YOUR BOND CREDIT WITH THE DEPARTMENT.

Sincerely,

District Mining Manager

cc: each DMO
Division of Certification, Licensing and Bonding
Remining Financial Assurance Coordinator