

TENNESSEE DEPARTMENT OF HEALTH AND ENVIRONMENT
SURFACE MINING AND RECLAMATION SECTION

BOND NO. _____

APPLICATION NO. _____

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, that the undersigned _____
_____ of _____
Principal, and _____, Surety, are held and firmly
bound unto the State of Tennessee, its successors and assigns in the penal sum of
_____ Dollars () for
payment of which well and truly to be paid to the said State of Tennessee, do hereby
jointly and severally bind ourselves, our heirs, administrators, executors,
successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT, WHEREAS, the above named
Principal did on this _____ day of _____, _____, file with the Surface Mining
Section an application to engage in surface mining and reclamation operations in the
state of Tennessee; and that in said application the Principal estimates that on the
site designated _____, _____ acres of land will
be affected by surface mining operations during the period of _____
following the date of the beginning of the permit issued pursuant to the aforesaid
application requiring the bond and by reclamation operations during the period of
liability prescribed under T.C.A. 59-8-209. Said obligation is applicable to the
entire permit area specified in the approved application.

NOW, if said Principal shall successfully complete all surface mining and
reclamation operations in accordance with the approved reclamation plan pursuant
to T.C.A. 59-8-208 and T.C.A. 59-8-209 and achieve compliance with all of the
requirements of T.C.A. 59-8-201, et. seq.; regulations lawfully promulgated
pursuant to T.C.A. 59-8-201, et. seq.; the regulatory program, the permit
including the revegetation requirements specified under T.C.A. 59-8-209, then
this obligation shall be void; otherwise, it shall remain in full force and
effect.

This bond shall not be cancellable by the Surety, at any time for any
reason including, but not limited to, non-payment of premium or bankruptcy of
the principal during the period of liability. Surety bond coverage for
permitted lands not disturbed may be cancelled with the consent of the Section
if the principal is not in violation on the part of the Permitted lands which
have been disturbed; provided the Surety gives at least sixty (60) days notice
to both the Principal and the Section of the intent to cancel prior to
cancellation. Such notice of intent shall be by certified mail and shall not be
effective until received by both the Principal and the Section. Cancellation
shall not be effective for lands subject to bond coverage which are disturbed
after receipt of notice, but prior to approval by the Section. The Section may
approve such cancellation only if a replacement bond is filed by the principal
prior to the cancellation date, or the permit is amended so that the surface
mining operations approved under the permit are reduced to the degree necessary
to cover all the costs attributable to the completion of reclamation operations
on the reduced Permit area in accordance with T.C.A. 59-8-201, et. seq. and the
remaining performance bond liability.

The Surety shall:

- (a) give prompt notice to the Principal and the Section of any notice
received or action filed alleging the insolvency or bankruptcy of the
Surety, or alleging any violations of regulatory requirements which
could result in suspension or revocation of the Surety's license to do
business;

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(b) give immediate notice to the Principal and the Section in the event the Surety becomes unable to fulfill its obligations under this instrument.

Upon the incapacity of the Surety by reason of bankruptcy, insolvency or suspension or revocation of its license, the permittee shall be deemed to be without bond coverage in violation of T.C.A. 59-8-205 and T.C.A. 59-8-207, and shall discontinue surface mining operations until new performance bond coverage is approved.

In the event of forfeiture, the amount of this obligation shall be confessed to judgement.

Principal Date

BY _____
Signature Title

STATE OF _____
COUNTY OF _____

Sworn to and subscribed before me this _____ day of _____, _____

NOTARY PUBLIC

COMMISSION EXPIRES: _____

Surety By _____

Address Title

Date

STATE OF _____
COUNTY OF _____

Sworn to and subscribed before me this _____ day of _____, _____

NOTARY PUBLIC

COMMISSION EXPIRES: _____

(Attach Power of Attorney for Surety Signatory)