



SELF-BONDING INDEMNITY AGREEMENT
PUBLIC SERVICE COMMISSION
RECLAMATION DIVISION
 SFN 17710 (Rev. 09-2001)

Permittee	
Permit Number	Self-Bond Number

The parties to this INDEMNITY AGREEMENT are the North Dakota Public Service Commission (NDPSC), indemnitee, and the above named Permittee, holder of the Surface Coal Mining and Reclamation Operations Permit listed above, as indemnitor.

Permittee is duly authorized to do business in the State of North Dakota. Permittee has filed with NDPSC an application to Self-Bond in connection with the Permit. The application satisfies the self-bonding requirements and criteria set by NDPSC.

Permittee desires to indemnify NDPSC from all loss and costs associated with the Self-Bond number above. Permittee has the full authority to enter into this Indemnity Agreement. Permittee has approval from its Board of Directors to enter into this Indemnity Agreement. It is in the best interests of Permittee, in the legitimate furtherance of its purposes and business, to enter into this Indemnity Agreement.

NDPSC has the legal authority to administer the bonding requirements for surface coal mining and reclamation operations in the State of North Dakota.

To the extent that there are any Federal lands containing leased Federal coal within the bond area, the Self-Bond is also payable to the United States/Office of Surface Mining Reclamation and Enforcement (OSMRE). Based on the Cooperative Agreement between the State of North Dakota and the United States Department of the Interior, both NDPSC and OSMRE are co-indemnitees under this Indemnity Agreement and the NDPSC must obtain OSMRE concurrence prior to releasing any obligation under the Self-Bond for Federal lands containing leased Federal coal. To the extent these Federal lands are involved, release of the Self-Bond also is conditioned upon compliance with applicable Federal laws and regulations and the provisions of the Cooperative Agreement between the State of North Dakota and the United States Department of the Interior at 30 C.F.R. 934.30. If the Cooperative Agreement at 30 C.F.R. 934.30 is terminated, the Self-Bond shall continue in effect and, to the extent these Federal lands are involved, the bond shall be payable to the United States.

In consideration of the approval and execution of the Self-Bond, it is agreed by and between the Permittee and NDPSC as follows:

- I. Permittee, its successors and assigns, jointly and severally do hereby covenant and agree to indemnify NDPSC of, from and against any and all demands, liabilities, charges, costs and expenses of whatsoever kind or nature, which NDPSC may sustain or incur in consequence of the failure by the Permittee to faithfully perform all the requirements of North Dakota Century Code Chapter 38-14.1 and North Dakota Administrative Code Article 69-05.2 under the Permit. With the exception of litigation costs as referenced in Paragraph VI, Permittee's liability hereunder shall not exceed the principal amount set forth in Permittee's Self-Bond or the new amount specified by any rider that increases or decreases the bond amount.
- II. This Indemnity Agreement is continuing and is in full force and effect until all of the terms of the Permittee's Self-Bond and Permit have been performed or otherwise discharged to the satisfaction of NDPSC.
- III. Permittee hereby fully consents and agrees that any of the following shall not discharge the obligations of this Indemnity Agreement:
 1. Renewals, revisions, modifications or riders to the terms of the Self-Bond, including increases or decreases in the dollar amount of the bond, or the lands to which it applies, in accordance with the requirements of North Dakota Century Code Chapter 38-14.1 and North Dakota Administrative Code Article 9-05.2.

2. Extensions of the time for performance of the whole or any part of the conditions of the Self-Bond.
 3. Changes, revisions, modifications or renewals to the Permit.
 4. Increases or decreases in bond amount that affect the amount for which indemnification is given.
- IV. NDPSC may institute bond forfeiture proceedings against Permittee in accordance with the forfeiture proceedings in North Dakota Century Code Chapter 38-14.1 and North Dakota Administrative Code Article 69-05.2.
- In the event forfeiture is ordered entered, NDPSC will mail to Permittee written demand for payment of the amount ordered forfeited and Permittee shall pay such amount in full to the State of North Dakota meeting the demand in immediately available funds, within ten (10) business days after receipt of such demand. Payment shall be as NDPSC specifies in the demand. If the order is vacated, reversed, or otherwise made unenforceable by a court, any amount previously paid to NDPSC by Permittee shall be refunded to Permittee in full within thirty (30) business days after receipt of a certified copy of the decision. Any refund to Permittee by NDPSC shall be in immediately available funds and shall be made as Permittee may specify in writing to the NDPSC. Any refund to the Permittee shall include interest on the forfeited amount at the rate specified in North Dakota Century Code Section 47-14-05 for indebtedness for which no specific rate is contracted in writing.
- V. In the event NDPSC initiates, pursues or is brought into litigation, as a result of attempts to enforce bonding requirements, the Permittee agrees to pay all litigation costs incurred by NDPSC in any successful effort to enforce this agreement against the Permittee. This agreement pertains to all costs reasonably connected with the litigation and all administrative costs reasonably incurred in enforcing or in preparation to enforce the rules for Self-Bonding against the Permittee. Liability for payment of litigation costs shall not be limited by the principal amount of the Permittee's Self-Bond. Permittee agrees that vouchers or other proper evidence showing payment shall be conclusive evidence of the fact and amount of liability of such costs.
- VI. This Indemnity Agreement shall be terminated when and to the extent that: (a) NDPSC certifies in writing that the Permittee has successfully completed the mining and reclamation activities pursuant to the Permit, or (b) NDPSC certifies in writing that the Permittee has provided an acceptable alternate bond in substitution for this agreement; or (c) NDPSC otherwise authorizes release of this agreement.
- Permittee has the right at any time to post an acceptable alternate bond, in substitution for and release of all or part of this agreement. Permittee shall notify NDPSC in writing of any such substitution, and NDPSC will notify the Permittee in writing of the acceptability of the substitution. The substitute bond shall not be valid nor effective until NDPSC certifies the acceptability and effective date in writing.
- VII. There are no conditions or limitations to this Indemnity Agreement except those contained in this document. No alteration, change or modification of this agreement shall be binding or effective unless executed in writing, signed by the Permittee, and approved in writing by NDPSC.
- VIII. Permittee agrees to pay all costs and expenses reasonably incurred by NDPSC which are expended in any successful action instituted to enforce the terms of this Indemnity Agreement.
- IX. This Indemnity Agreement shall be good and effective notwithstanding any change or changes in the business name of the Permittee.
- X. No changes, revisions, modifications or renewals to the Self-Bond of the Permittee or the terms of the Permit shall act as a release of the Permittee from this Indemnity Agreement.
- XI. All notices required to, or which may be given shall be effective when received by the addressees at the addresses specified below.

1. For the Permittee:

2. For NDPSC:

North Dakota Public Service Commission
 State Capitol
 12th Floor
 Bismarck, ND 58505

Self-Bond Number

- XII. In case of insolvency, bankruptcy or dissolution of the Permittee, all funds represented by the Self-Bond shall immediately become due and payable.
- XIII. This Indemnity Agreement is a binding contract and shall be construed under and subject to the laws of the State of North Dakota.
- XIV. If at any time during the period that the Self-Bond is posted, the financial conditions of Permittee or Guarantor change so that the financial criteria are not satisfied, Permittee shall post an alternate, allowable bond in the same amount as the Self-Bond. If an alternate bond acceptable to the NDPSC cannot be posted within the time periodS specified in North Dakota Administrative Code Section 69-05.2-12-05(6), surface coal mining operations shall Cease.
- XV. This Indemnity Agreement may be executed in any number of identical counterparts, each of which, when executed and delivered by the parties hereto, shall be considered to be an original, but all of which shall collectively constitute one and the same instrument.

Effective _____ (Date)

EXECUTION BY THE PERMITTEE:

Permittee	
Signature of President or Authorized Officer	
Name	Title

Signature of President or Authorized Officer	
Name	Title

State of _____)
 County of _____)SS.

The foregoing instrument was acknowledged before me on this date _____ by _____ and _____ of _____, a _____ corporation, on behalf of the corporation.

BY: _____
 NOTARY PUBLIC

(S E A L)

MY COMMISSION EXPIRES: _____

EXECUTION BY GUARANTORS:

GUARANTOR _____

BY: _____ TITLE: _____

BY: _____ TITLE: _____

Self-Bond Number

State of _____)
County of _____)SS.

The foregoing instrument was acknowledged before me on this date _____ by
_____ and _____
of _____, a _____
corporation, on behalf of the corporation.

(S E A L)

ID 28

BY: _____
NOTARY PUBLIC

MY COMMISSION EXPIRES: _____