Under authority of G.S. 74-51 and G.S. 74-54 of The Mining Act of 1971, an acceptable reclamation bond or security is required to be posted with DENR before a mining permit can be issued. There are several different options available to the applicant in securing the required bond. The applicant may choose any one of the methods listed below to satisfy the statutory requirement. In addition, a permittee may substitute one method of bonding for another at anytime during the life of a mining permit. The following are general guidelines describing how to correctly complete each bond option:

**GENERAL**

The applicant must use the Department's standard forms when completing the required reclamation bond. The name on the bond, assignment of savings account, or irrevocable letter of credit form must be the same as the name of the company or individual that the application for mining permit was filed under. For example: An application is filed by Mr. John Q. Public, under the company name of Crushed Stone Company; therefore, the security must be in the name of Crushed Stone Company. An exception to this would be for Mr. Public to have the security form filled out to read John Q. Public d/b/a (doing business as) Crushed Stone Company. This way the mining permit could be issued in the name of Crushed Stone Company and Mr. Public could have his name listed on any other financial documents.

1. **Assignment of Savings Account:**
   
   A. These are issued by an acceptable banking institution licensed to do business in North Carolina. The applicant and an authorized agent for the bank must sign the form and both signatures must be notarized.
   
   B. "Savings Account" refers to any savings instrument not just a passbook account. A money market account or certificate of deposit can also be utilized. Whatever savings instrument is chosen, the original or photocopy of the document issued by the bank (passbook, deposit receipt, actual certificate of deposit) must be attached to the original assignment form and both forwarded to the DENR-LQS Central Office.
   
   C. The account numbers and dollar amounts listed on the assignment form must match those on the savings instrument.
2. **Surety Bonds:** These are issued by an issuance company licensed to do business in North Carolina. A Power of Attorney must accompany the completed **original** standard bond form provided by the Department to substantiate that the issuing agent has authorization to act on behalf of the insurance company.

3. **Bank Guaranty:** These guaranties of payment must be issued from an acceptable bank licensed to do business in North Carolina.

4. **Cash Deposits:** Cashiers or certified checks must be made payable to the North Carolina Department of Environment and Natural Resources. A cover letter specifying the intended function of the money being submitted to the Department must accompany the check.

5. **Irrevocable Letter of Credit:** These are issued by a financial institution licensed to do business in North Carolina on a form prescribed by the Department. Blank Irrevocable Letter of Credit (ILOC) forms are available upon request from the Land Quality Section Central Office in Raleigh. **All ILOCs must include an automatic renewal clause to ensure that the ILOC is continuous in nature.**

You (Applicant) should retain a copy of all surety forms, etc. for your files. All **original** documents are to be forwarded to the Land Quality Section, 1612 Mail Service Center, Raleigh, NC 27699-1612. It is recommended that these materials be forwarded by registered or certified mail.

Should you have any questions on this information please contact the Land Quality Section at (919) 707-9220. The mining permit will not be issued until the bond forms have been properly completed.