

**§ 3809.570**

STATE-APPROVED FINANCIAL  
GUARANTEE

**§ 3809.570 Under what circumstances may I provide a State-approved financial guarantee?**

When you provide evidence of an existing financial guarantee under State law or regulations that covers your operations, you are not required to provide a separate financial guarantee under this subpart if—

- (a) The existing financial guarantee is redeemable by the Secretary, acting by and through BLM;
- (b) It is held or approved by a State agency for the same operations covered by your notice(s) or plan(s) of operations; and
- (c) It provides at least the same amount of financial guarantee as required by this subpart.

**§ 3809.571 What forms of State-approved financial guarantee are acceptable to BLM?**

You may provide a State-approved financial guarantee in any of the following forms, subject to the conditions in §§ 3809.570 and 3809.574:

- (a) The kinds of individual financial guarantees specified under § 3809.555;
- (b) Participation in a State bond pool, if—
  - (1) The State agrees that, upon BLM's request, the State will use part of the pool to meet reclamation obligations on public lands; and
  - (2) The BLM State Director determines that the State bond pool provides the equivalent level of protection as that required by this subpart; or
- (c) A corporate guarantee that existed on January 20, 2001, subject to the restrictions on corporate guarantees in § 3809.574.

**§ 3809.572 What happens if BLM rejects a financial instrument in my State-approved financial guarantee?**

If BLM rejects a submitted financial instrument in an existing State-approved financial guarantee, BLM will notify you and the State in writing, with a complete explanation of the reasons for the rejection within 30 calendar days of BLM's receipt of the evidence of State-approved financial guarantee. You must provide BLM with a

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financial guarantee acceptable under this subpart at least equal to the amount of the rejected financial instrument.

**§ 3809.573 What happens if the State makes a demand against my financial guarantee?**

When the State makes a demand against your financial guarantee, thereby reducing the available balance, you must do both of the following:

- (a) Notify BLM within 15 calendar days; and
- (b) Replace or augment the financial guarantee within 30 calendar days if the available balance is insufficient to cover the remaining reclamation cost.

**§ 3809.574 What happens if I have an existing corporate guarantee?**

- (a) If you have an existing corporate guarantee on January 20, 2001 that applies to public lands under an approved BLM and State agreement, your corporate guarantee will continue in effect. BLM will not accept any new corporate guarantees or increases to existing corporate guarantees. You may not transfer your existing corporate guarantee to another operator.
- (b) If the State revises existing corporate guarantee criteria or requirements that apply to a corporate guarantee existing on January 20, 2001, the BLM State Director will review the revisions to ensure that adequate financial coverage continues. If the BLM State Director determines it is in the public interest to do so, the State Director may terminate a revised corporate guarantee and require an acceptable replacement financial guarantee after due notice and a reasonable time to obtain a replacement.

MODIFICATION OR REPLACEMENT OF A  
FINANCIAL GUARANTEE

**§ 3809.580 What happens if I modify my notice or approved plan of operations?**

- (a) If you modify a notice or an approved plan of operations under § 3809.331 or § 3809.431 respectively, and your estimated reclamation cost increases, you must increase the amount of the financial guarantee to cover any