

STATE OF NORTH DAKOTA  
BOARD OF UNIVERSITY AND SCHOOL LANDS

Upon the terms and conditions set in this permit, the Board of University and School Lands and its agent, the Commissioner of University and School Lands (PERMITTER), authorizes (name and address of Permittee) (PERMITTEE), to explore for (choose: coal, coal bed methane, or aggregate) on certain land in (county) County, North Dakota, described as follows:

Township (#) North, Range (#) West  
Section (#): (qtr)

The State of North Dakota owns (50/100)% of the (choose: coal, coal bed methane, or aggregate) interests in this tract.

1. Unless otherwise terminated or canceled under the provisions of this permit, this permit shall expire on (date).
2. PERMITTEE is authorized to explore for (choose: coal, coal bed methane, or aggregate) reserves by drilling or backhoe only..
3. PERMITTEE shall, prior to construction, maintenance or removal, reserve the top 12 inches of soil from areas subject to topsoil and subsoil mixing. The reserved soil must be stockpiled to minimize wind and water erosion. Upon completion of testing, PERMITTEE shall promptly reclaim the disturbed area.
4. PERMITTEE shall not leave any test hole open and unattended for any period of time and shall reclaim all test holes in accordance with paragraph #3 each day before leaving the permit area.
5. PERMITTEE shall revegetate the disturbed area with western wheatgrass by broadcast seeding.
6. If, prior to or during construction, archeological or paleontological items are discovered or such items are disturbed, PERMITTEE shall cease construction activities and notify PERMITTER immediately. and PERMITTEE must not resume construction until written approval is given by PERMITTER.
7. PERMITTEE is not acquiring any subsurface interest, or any rights in the surface other than those specifically allowed by this permit. Subsurface interests include, but are not limited to, coal, gravel, sand, scoria, clay, oil and gas, and related hydrocarbons. If any subsurface interest is or will likely be excluded from mining or development because of the presence of this permit, or if this permit interferes or will likely interfere with the mining or development of subsurface interests outside of the permit area, this permit will terminate. PERMITTEE will receive no less than seven (7) calendar days written notice from the PERMITTER of the termination of this permit in accordance with this paragraph.
8. PERMITTEE shall not build any roads, trails, or otherwise alter the terrain or land's surface for vehicular use. Travel is limited to the existing roads, trails, and undisturbed sod.
9. PERMITTEE shall repair any damage to fences, or other improvements owned by the surface tenant, caused by PERMITTEE's activities.
10. PERMITTEE shall take necessary precautions to prevent fires. In the event of a fire caused by the PERMITTEE or its agent, PERMITTEE shall compensate the PERMITTER's surface tenant(s) for their losses to forage, crop or any other losses; and shall compensate PERMITTER for any loss it suffers due to fire.
11. PERMITTEE shall limit travel to minimize damage to the current season's grass.
12. This permit is nontransferable and shall not be filed for record.
13. This permit is subject to all existing permits and nothing in this permit supersedes any rights previously granted in existing permits and easements.

14. PERMITTEE shall maintain a log of the GPS coordinates and corresponding map datum of each exploratory test hole and shall forward the test hole log of GPS data to PERMITTER immediately upon the completion of testing.
15. Within 30 days after the expiration of this permit, PERMITTEE shall pay PERMITTER \$(\_\_\_\_\_) per hole and give PERMITTER copies of all exploration results.
16. PERMITTEE shall notify PERMITTER and PERMITTER's surface tenant(s) of the testing schedule at least ten (10) days before testing is scheduled to begin.
17. This permit may be suspended or revoked at the discretion of the PERMITTER upon breach of any permit conditions. If this permit is suspended, revoked, or terminated, the PERMITTEE agrees to fully repair any damages.
18. PERMITTEE accepts liability and indemnifies the state of North Dakota, its agencies, officers and employees (STATE) for any loss that may be suffered by any person or property of PERMITTEE or the STATE, PERMITTEE's or the STATE's employees and agents, and anyone else, including members of the public, when such loss is any way related to PERMITTEE's use of the permit area and to PERMITTEE's activities under this permit. PERMITTEE further accepts liability and indemnifies the STATE from all costs, expenses, and attorneys fees incurred in establishing and litigating the indemnification coverage provided in this paragraph. The legal defense provided by PERMITTEE to the STATE under this paragraph must be free of any conflicts of interest, even if this requires PERMITTEE to retain separate legal counsel for the STATE. The obligations of this paragraph shall continue after the permit has expired or is in any other way terminated.

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, at Bismarck, North Dakota.

PERMITTER:

BOARD OF UNIVERSITY AND SCHOOL LANDS  
OF THE STATE OF NORTH DAKOTA

by: \_\_\_\_\_  
Lance D. Gaebe, Commissioner  
of University and School Lands

PERMITTEE:

**(COMPANY NAME IN CAPS)**

by: \_\_\_\_\_  
(signature) (individual signing)  
(name/address of company)