Oregon Department of Geology and Mineral Industries (DOGAMI)
Mineral Land Regulation and Reclamation (MLRR) Program

Reclamation Securities – FAQs

Why does DOGAMI require reclamation security?
A reclamation security is required per Oregon Revised Statute (ORS) 517.810 to ensure that DOGAMI will have sufficient funds to reclaim the site if the permittee does not complete the required reclamation.

Who is required to have reclamation security?
Sites operating under a DOGAMI Operating Permit or Exploration Permit are required to have a security on file. The submittal of a reclamation security is not required for public bodies (e.g. governmental agencies).

How much does the reclamation security have to be?
The reclamation security will be determined based on the actual reclamation cost that DOGAMI would have to pay to contract for reclamation of the disturbed area to the standards outlined in the reclamation plans.

DOGAMI may consider the following when determining the amount of security:

- size and geometry of the existing disturbance and the projected disturbance over the next 12 months,
- costs of equipment, labor, supervision and mobilization,
- removal or disposition of debris, junk, equipment, structures, etc.,
- reduction of hazards such as in-water slopes, highwalls, landslides, or other mass failure;
- disposition of oversize, rejects, scalpings, overburden,
- backfilling, contouring, or regrading and topsoil replacement,
- draining, establishment of drainage, and erosion control,
- seedbed preparation, seeding, mulching, fertilizing, planting, seeding, fencing, etc., and
- DOGAMI indirect costs

What if I disagree with the total cost that DOGAMI estimates?
Per OAR 632-030-0021(8) the applicant may submit reclamation cost estimates for consideration by the Department. The amount of the reclamation security required by DOGAMI may be appealed to the DOGAMI Governing Board as provided in ORS Chapter 183.

What are the different types of security that DOGAMI accepts?
Performance Bonds - also referred to as contract bonds or surety bonds, are conceptually similar to insurance. Bonds must be provided by Surety Companies authorized to do business in Oregon and there is a specific DOGAMI form that must be used. There is no maximum amount that can be bonded.

Irrevocable Letters of Credit - are issued by banks to serve as a guarantee for payment. Letters of Credit must be provided by a "brick and mortar" company licensed in Oregon and there is a specific DOGAMI form that must be used. There is no maximum amount allowed under a Letter of Credit.

Assignments of Deposit - Assignments of Deposit must be provided by a "brick and mortar" bank licensed in Oregon. Assignments of Deposit effectively assign a specific deposit amount as collateral for payment (e.g. a certificate of deposit). A DOGAMI-specific form must be used and the maximum amount that can be accepted is $50,000.

Cash securities – Checks can be made payable to DOGAMI and a receipt will be provided. For cash securities for Exploration Permits, and cash securities greater than $50,000 for Operating Permits, an approved reclamation security calculation worksheet must accompany the payment.

What does DOGAMI do with cash securities?
Any monies accepted and held by DOGAMI as a form of security shall be deposited in the Reclamation Guarantee Fund.

Will DOGAMI issue my permit if the security is not submitted/maintained?
No. Per ORS 517.810, before issuing an Operating Permit or Exploration Permit, DOGAMI requires that the applicant submit a reclamation security in a sum to be determined by the Department. A reclamation security must be maintained for the life of the permit.

Can the reclamation security be adjusted?
The reclamation security may be adjusted at any time based on the actual reclamation liability at a site as determined by DOGAMI; however, the reclamation security amount is not to exceed the total cost for reclamation if DOGAMI were to contract a third party to complete the reclamation.

When and why would DOGAMI demand payment of a security?
DOGAMI may demand the reclamation security and reclaim the area affected by surface mining if it is determined that a permittee:

- has failed to comply with a Department Order (e.g. Notice of Violation, etc.),
- fails to complete reclamation in conformance with the reclamation plan or fails to complete reclamation in a timely manner; or
- fails to maintain a permit and pay all fees required under ORS 517.800
- fails to provide a replacement security to the department when existing security is cancelled by the financial institution

When does my security get released or returned?
Reclamation securities may only be released when a site is closed, transferred or when a replacement security is received by DOGAMI. The permittee may request site closure by submission of a closure application, and DOGAMI will determine if the reclamation has been completed in accordance with the approved Reclamation Plan and permit conditions. A final inspection, Report of Onsite Inspection, and Closure Memo will be completed to formally release the reclamation security. In the case of a permit transfer, DOGAMI will release the existing security once an acceptable replacement security has been received and approved by DOGAMI, and the transferred permit is issued. In the case of a change of surety or security instrument, DOGAMI will release the existing security once an acceptable replacement security has been received and approved by DOGAMI.