

File: Gen. Coal

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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

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December 31, 1992

TO: Dianne R. Nielson, Director  
 Lowell P. Braxton, Associate Director, Mining  
 Daron Haddock, Permit Supervisor

FROM: Pamela Grubaugh-Littig, Permit Supervisor *pgl*

RE: Coal Bond Status Report as of December 31, 1992

Attached is a copy of the current coal bond status report. Presently, the coal program has a total of \$46,657,994 in various forms of reclamation bonds.

Corporate Sureties (28)	\$38,905,704	83%
Irrevocable Letters of Credit (4)	\$ 2,478,002	5%
Subordination Agreements (Real Estate) (3)	\$ 2,860,288	6%
Self Bond (1)	\$ 2,329,000	5%
Certificate of Deposit (1)	\$ 75,000	less than 1%
Cash (1)	\$ <u>10,000</u>	less than 1%
	\$46,657,994	

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Attachment  
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COAL BONDS

NAME OF PROJECT Permit Number	Reclamation Agreement (Date)	Disturbed Surface Acres	Present Bond Amount	Type of Bond Posted	Principal Holder* (Best's Rating) 1992	Year Date Posted (Ridered)	Cost per Acre	Date Original Permit Issued (5-Yr Renewal)	Comments
Valley Camp of Utah, Inc. Belina Mines Complex ACT/007/001	Yes (11/30/89)	79	\$2,300,000	Surety (Ridered)	Aetna Casualty & Surety Co. 25S100723365 (A)	12/7/91	\$29,114	8/24/84 (11/17/89)	Previous bond under Federal Insurance Company. Changed surety companies 12/7/91
Blackhawk Coal Company Willow Creek INA/007/002		(4.2)	(\$10,000) (Released)	Surety (Released)	Safeco Insurance Co. #5615354 (A++)	7/12/84 (7/30/90)	\$2381	12/24/84	Original Posted; (Released \$91,550 8/13/85) \$2,585,609 released 7/30/90; Final bond released 8/24/92
Amax Coal Industries Castle Gate Mine ACT/007/004	Yes (2/5/86)	134.5	\$2,683,603	Surety	National Fire Insurance Company Hartford #929-80-55 (A+)	1/31/86	\$19,952 Permit Transfer	12/24/84 (12/24/90)	
Coastal States Energy Skyline Mine ACT/007/005	Yes (12/1/89)	62.41	\$3,180,000	Surety	United Pacific Ins. Co. #U605244-6 (A-)		\$50,953	6/20/80 (4/30/87) (5/1/92)	Original Bond Amount - \$1,850,500 (6/20/89); Bonds replaced 7/30/90; Rider added 3/15/90; Rider added 6/9/92; Reclamation Agreement being updated
Cyprus Plateau Mining Corp. Star Point Mine ACT/007/006	Yes (1/4/91)	173.2	\$4,830,000	Surety	Aetna Casualty & Surety Co. 64S1002085768CA (A)	11/26/85	\$27,887	(9/7/87) (1/28/92)	Reclamation Agreement Signed 11/2/90; Ridered "termination" language 9/91
Cyprus Plateau Mining Corp. Exploration		3	\$50,000	Surety	Aetna Casualty 64S1007670048CA (A)	9/21/92			Exploration Project
Sunnyside Coal Company Sunnyside Mine ACT/007/007	Contract (12/11/89)	287.4	\$2,639,088	Combination	C.D. issued for \$75,000 at Zions First National Bank. First Deed of Trust for Undisturbed Land and Water Rights; Agreement 8/28/89	8/31/89	\$9,183	1/6/86 (1/6/91)	Escrow Agreement Finalized 6/90 3/13/89 Active Status; Transferred from Kaiser Coal Co. 5/26/89

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Kaiser Coal Corp. Sunnyside Mine ACT/007/007	Special		(\$3,397,349)		Filed Chapter 11 2/13/87; Agreement with SRS 3/9/89; Transferred to SRS Replaced by SRS Bond	1/6/86			
Sunedco Sage Point-Dugout Canyon REV/007/009		No Disturbance e	(\$611,875) (Released)	Surety (Released)	Federal Insurance Co. #8090-86-10 (A++)	12/8/80	Bond released 5/19/87 No disturbance	(Permit Revoked) 5/19/87	
U. S. Fuel Co. Hiawatha Mines Complex ACT/007/011	Special	280	\$1,450,000 \$2,329,000	Surety Self Bond	Insurance Company of North America K01733369 (A-) DOGM and OSM	4/15/83 12/16/86	\$13,031	3/13/87 (3/13/92)	
Kaiser Coal Corp. Wellington Prep. Plant ACT/007/012	Yes	356	(\$4,360,775)	Self-Bond	Division of Oil, Gas and Mining; Filed Chapter 11 2/13/87; Replaced by Genwal ILOC	1/31/86 Permit Transferred 10/10/89	\$12,249	12/10/84	Bankrupt
Castle Valley Resources Wellington Prep. Plant ACT/007/012	Yes (8/16/91)	356	\$2,591,000	Surety	Safeco Insurance Co. #5612986 (A++)	10/26/89	\$ 7,278	(12/10/89)	Permit Transfer to Genwal 10/10/89; Permit Transfer to Castle Valley Resources 12/5/91
Kaiser Coal Corp. Geneva (Horse Canyon Mine) ACT/007/013		50	(\$918,649)	Self Bond	Division of Oil, Gas and Mining, and OSM	Filed Chapter 11 2/13/87	\$18,373		Transferred from U.S. Steel 11/4/85
Kaiser Coal Corp. Horse Canyon Mine ACT/007/013		50	(\$1,359,600)	Irrevocable Letter of Credit	Chase Manhattan Bank No. PG632732	4/12/90	27,192		Released by OSM 1/26/91; DOGM 1/27/91

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Intermountain Power Agency Horse Canyon Mine ACT/007/013	Yes (7/3/90)	50	\$1,950,002	Irrevocable Letter of Credit	Zions First National Bank	7/2/90	39,000	5/6/91	IPA Acquired Horse Canyon Mine 4/5/90; Permit issued 5/6/91; Bond increased 5/3/91
Mountain Coal Co. Gordon Creek #2, 7 & 8 ACT/007/016	Yes (8/28/89)	17.58	\$641,443 \$45,900	Surety Surety	United Pacific Insurance Co U-62-99-65 (A-) #8082-93-00 (A-)	8/14/87 11/22/77	\$39,098	8/27/84 (8/28/89)	Ridered "termination" language 9/91
Mountain Coal Co. Gordon Creek #3 & #6 ACT/007/017	No	17.3	\$138,400	Surety	United Pacific Insurance Co. U-629895 (A-) Phase I-Bond Release Effective 6/26/87 Ridered 7/13/87	9/19/86 7/13/87	\$8,000	9/19/86 (11/13/91)	Original Bond Amount \$346,000
Soldier Creek Coal Co. Soldier Canyon Mine ACT/007/018	Yes (5/2/91)	22.80	\$3,238,000	Surety	Federal Insurance Co. #8107-37-63 (A++) Rider	9/87 (5/91)	142,018	6/10/85 (2/3/92)	Increased from \$577,000 5/2/91; increased in conjunction with renewal
Andalex Resources Centennial Project ACT/007/019	Yes (7/6/90)	34.2	\$381,839 \$699,000	Surety Surety	Utica Mutual Insurance #34593 (A) & SU1354086	5/16/83 (7/3/90)	\$31,603	1/4/82 (3/3/87) (1/3/92)	Increased to \$1,080,839 on 7/3/90
North American Equities Blazon #1 Mine REC/007/021	No	1.5	\$38,000 (Forfeited)	Irrevocable Letter of Credit \$43865	United Bank of Denver	5/5/89	\$25,333	11/12/85	LOC with First Interstate Bank replaced 2/91; Amount reduced from \$48,400 4/30/91; Bond forfeited 5/24/91-Cashier's Check to Division
Mountain Coal Co. C.V. Spur ACT/007/022	Yes (8/7/89)	160	\$2,441,745	Surety	United Pacific Insurance Company (A-) U-629894	4/22/87	\$15,261	8/6/85 (8/6/89)	Ridered "termination" language 9/91

## COAL BONDS

As of December 31, 1992

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Andalex Resources, Inc. Wildcat Loadout Facility ACT/007/033	Yes (5/5/89)	60	\$813,795	Surety	Continental Casualty Co. 400776222	12/1/92	\$13,563	5/5/89	Changed from Pittsburgh National Bank in 4/92; Replaced ILOC 12/9/92
Soldier Creek Coal Co. Banning Siding ACT/007/034	Yes (10/20/88)	21.4	\$211,000	Surety	Federal Ins. Co. #8107-37-63 (A++)	10/12/88	\$9,860	10/24/88	
Cyprus Plateau Mining Corp. Blackhawk Exploration Site CEP/007/038	No	3.1	\$50,000	Surety	Aetna Casualty & Surety Company 64S100767004BCA (A)	9/21/92	\$16,129		Exploration Project
Western States Minerals J. B. King ACT/015/002	No	28	\$126,078	Surety	Seaboard Surety Co. #104570 (A+) Phase I Bond Release (effective 5/20/86) Ridered-4/28/86	(4/28/86)	\$4,503	8/13/85 (8/13/90)	Original Bond Amount - \$262,577
Mountain Coal Co. Huntington #4 ACT/015/004	No	12.5	\$144,042	Surety (Ridered)	Federal Ins. Co. #8082-89-88 (A++) (Phase I-60% bond release effective 11/10/86 rider - 12/31/86)	4/15/85 (12/12/86) 12/12/86	\$11,523	4/29/85 (4/29/90)	Original Bond Amount - \$360,102; Ridered "termination" language 9/91
Hidden Valley Coal Co. Hidden Valley Mine REC/015/007	No	6.7	\$68,606	Surety	St. Paul Fire & Marine Ins. Co. #400 HJ 8041 (A+) Phase I bond release effective 7/17/88	12/30/86 (7/17/88)	\$10,240	1/28/87 (1/29/92)	Original Bond Amount - \$171,515

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PacifiCorp Trail Mountain Mine ACT/015/009	Yes (10/12/92)	9.45	\$700,000	Surety	American Casualty Co. of Reading, PA #700819575 (A+)	9/29/92	74,074	2/21/85 (2/21/90)	Federal Mine Approval Tract 1 & 2 Transfer effective 11/23/87; Federal Lease Tract approved 5/15/91; Ridered "termination" language 9/91; Ridered increased amount and disturbance on 4/28/92 (from \$463,711 and 8.8 acres). Transferred from Mountain Coal Company to PacifiCorp 11/13/92
Consolidation Coal Co. Emery Deep ACT/015/015	Yes (8/10/92)	247	\$3,454,443 (for mine & prep plant areas)	Surety	Seaboard Surety #188617 (A+)	12/11/85 (5/3/91)	\$13,986	6/8/82 & 1/7/86 (1/8/91)	
PacifiCorp Des-Bee-Dove ACT/015/017	Yes (12/13/90)	74.5	\$1,837,712	Surety	American Casualty Co. of Reading, PA. #926-00-83 (A+)	1/25/85	\$24,667	8/29/85 (5/31/91)	New Bond Submitted for PacifiCorp 12/90; Ridered "termination" language 9/91
PacifiCorp Deer Creek ACT/015/018	Yes (12/13/90)	56	\$2,000,000	Surety	American Casualty Co. of Reading, PA. #927-21-58 (A+) Rider effective 9/17/92	3/15/85 (9/17/92)	\$35,714	2/7/86 (2/7/91)	Waste Rock Storage Added 9/88; Original Bond Amount - \$1,224,000; New Bond Submitted for PacifiCorp 12/90; Ridered "termination" language 9/91; Increased from \$1,724,000 to include amendment changes 9/92
PacifiCorp Cottonwood/Wilberg ACT/015/019	Yes (12/13/90)	66.92	\$2,071,098	Surety	American Casualty Co. of Reading, PA. #924-98-19 (A+)	6/15/84 (11/3/89) (6/7/90)	\$30,949	7/6/84 (7/6/89)	Original Bond Amount-\$1,294,522 Ridered 6/7/90 for Waste Rock Site - \$1,586,008 (New Bond Submitted 11/20/90 for PacifiCorp with revised amount); Ridered "termination" language 9/91

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Co-Op Mining Co. Trail Canyon ACT/015/021	No	10	\$200,000	Irrevocable Letter of Credit	West One Bank #S-557	6/15/89	\$20,000	5/30/89	Automatically Renewable
Co-Op Mining Co. Bear Canyon ACT/015/025	Yes (8/11/89)	10	\$290,000	Irrevocable Letter of Credit	Capital City Bank #1055	Amended 10/20/92 (for C.W. Mining) Expires 10/24/94	\$29,000	11/1/85 (5/20/91)	Automatically Renewable
Genwal Coal Co. Crandall Canyon Mine ACT/015/032	Yes (6/13/89)	9.7	\$268,000	Surety	Safeco Ins. Co. #4689175 (A++)	7/30/90	\$27,629	(6/14/89)	Replaced ILOC 7/30/90 with Surety
Genwal Coal Co. Crandall Canyon Mine ACT/015/032	No	5.1	\$10,000	Cash	(Mohrland Loadout)	7/11/88	1,961		Still held but should probably be released
New Tech Mining Co. (Exploration) Black Jack #1 Mine ACT/019/004		7.2	(\$30,534.49)	Escrow Account	First Interstate Bank #72-3024-006 Revoked Permit 9/88	1/23/84 & 12/14/79	\$4,241		Bond forfeited; Division preparing reclamation contract to complete reclamation in 1992; Reclamation completed November 1992
Coastal States Energy Co. Southern Utah Fuel Co. Convulsion Canyon Mine ACT/041/002	Yes (8/26/88)	67.79	\$1,690,000	Surety	United Pacific Insurance Co. U605244-14 (A-)	4/12/91 7/23/92	\$24,930	5/19/87 (6/20/92)	Ridered 7/23/92; Reclamation Agreement needs updated
Coal Search Corp. Knight Mine ACT/041/005	Yes (85 version)	40	\$800,000	Surety	Seaboard Surety Co. #164898 (A+)	9/16/90	\$20,000	10/31/88	Federal Ins. Co. Surety replaced 9/16/90; Phase I Bond Release is pending
Summit Minerals Blackhawk Mine REV/043/001	No	19	\$120,300	Subord. Agreement	Division (Real Estate in Wallsburg, UT) (Permit Denied)	6/4/86	\$6,332	2/26/88	In process of selling collateral bond

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Summit Coal Co. Boyer Mine ACT/043/008	No	7	\$100,900	Subord. Agreement	Division (Real Estate In Park City, Utah) Permit Revoked 8/4/89	8/2/85	\$14,414	5/15/87	Collateral Bond has been sold and money in possession of State

\*All of the bonding companies are listed in the Federal Register, July 1, 1992, the Department of Treasury listing of Surety Companies acceptable on Federal bonds.