



State of Utah

Department of Natural Resources

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Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

September 8, 2004

OK

TO: Internal File

FROM: Pamela Grubaugh-Littig, Permit Supervisor *[Signature]*

RE: Release from Any Claims Arising from Ownership, Termination of Cessation Orders and Civil Penalties, White Oak Mine, C/007/0001

Attached is the set of documents that outline the release of the Debtors, Trustee, Rennert Parties, Congress and Wexford Parties from any claims arising from or related to the Debtors' mine ownership or mining activities including, without limitation the Utah reclamation obligations. Specifically,

- The Settlement and Term Sheet , page 10 paragraph 6 (a), page 17 paragraph 8 (a)(i), pages 30 to 33 paragraph (g), pages 38 to 46 paragraph 16,
- The Order Approving the Settlement,
- Letter identifying Renco parties and Associates, and
- First Amendment, pages 1 to 2 paragraph 2 (a) and (b) and Exhibit 6.

There are four cessation orders that can now be terminated pursuant to this Settlement Agreement effective August 18, 2004. The cessation orders are:

- C03-50-2-1 (initial violation issued for violating the permit by going beyond the allowable spoil limit),
- C03-42-2-1 (imminent harm CO issued for hazardous conditions to the health and safety of the public by permittee's failure to construct permanent seals of three underground openings.
- C03-42-2-2 (imminent harm CO issued for hazardous conditions to the health and safety of the public by permittee's failure eliminate highwalls).
- C03-42-2-3 (imminent harm CO issued for hazard conditions to the health and safety of the public at the White Oak loadout),

The penalties for the four FTA/CO's were: 4 x \$22,500 = \$90,000.

Additional civil penalties still outstanding for the White Oak Mine were:

N03-46-1-1,	\$ 160.00
N03-46-3-1,	200.00

File in: *C0070001_0001_Internal*

Refer to: Confidential Shelf Expandable

Date: *9/8/04* for additional information

N03-50-1-1,	720.00
C03-42-1-1,	3,560.00
C03-42-1-2,	3,160.00
C03-42-1-3,	3,560.00
C03-51-1-1,	<u>1,800.00</u>
	\$13,160.00

Total amount due was \$90,000 + \$13,160 = \$103,160, which is now settled as part of the agreement.

These cessation orders can be removed from the Applicant Violator System for the White Oak Mine.

Enclosure

cc: Price Field Office (w/o)

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