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outgoing 00070001 dl

**From:** Mary Ann Wright  
**To:** James Fulton  
**Date:** 12/4/2006 1:17:36 PM  
**Subject:** Re: Civil Penalty Project Money

Jim - This is to request funding to complete the reclamation of the White Oak/ Whiskey Creek Mine, Carbon County, Utah. As you recall, the bond amount was \$3.8M. Through the Bankruptcy Court and a settlement with Frontier Insurance Co, Utah received close to \$3M, which OSM was in agreement with. However, the Bankruptcy judge had said that the road to the site was 'off the table for negotiation'. So, this request is to complete the road reclamation at the site. It is very steep and extremely unstable. This spring, a landslide from the road entered the main stream of Eccles Creek. Our estimate is \$753,384. With escalation it is \$844,000. Thank you for your consideration.

>>> "James Fulton" <[JFulton@osmre.gov](mailto:JFulton@osmre.gov)> 11/28/2006 11:16 AM >>>  
Dave/ Mary Ann/ Bruce - As you may remember, annually OSM asks you if you have potential projects for civil penalty funds. Following below is the regulation specifying project eligibility. If you wish to ask for funds for an eligible project, let me know by December 8. Very briefly, give a name of the project, location, details of its eligibility, short description of proposed work, and an approximate cost.

Sec. 845.21 Use of civil penalties for reclamation.

(a) To the extent authorized in the applicable annual appropriations act or other relevant statute, the Director of OSM may utilize money collected by the United States pursuant to the assessment of civil penalties under section 518 of the Act for reclamation of lands adversely affected by coal mining practices after August 3, 1977, until such funds are expended.

(b) The Director may allocate funds at his discretion for reclamation projects on lands within any State or on Federal lands or Indian lands based on the following priorities:

- (1) Emergency projects as defined in Sec. 870.5 of this chapter;
- (2) Reclamation projects which qualify as priority 1 under section 403 of the Act;
- (3) Reclamation Projects which qualify as priority 2 under section 403 of the Act; and
- (4) Reclamation of Federal bond forfeiture sites.

(c) Notwithstanding paragraph (b) of this section, at his discretion, the Director may allocate funds for any other reclamation project which constitutes a danger to the environment or to the public health and safety.

[53 FR 16017, May 4, 1988, as amended at 54 FR 19342, May 4, 1989]

**CC:** Mark Mesch; Wayne Western