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File ACT/007/004
Folder #2, 5

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
BROOKS TOWERS
1020 15TH STREET
DENVER, COLORADO 80202

MAY 7 1984

RECEIVED
JUN 11 1984
DIVISION OF OIL
GAS & MINING

Mr. Rob Wiley
Environmental Engineer
Price River Coal Company
P.O. Box 629
Helper, Utah 84526

Dear Mr. Wiley:

As you are aware, the Price River Mine Complex Decision Document was forwarded to the Office of Surface Mining (OSM) Headquarters in Washington, D.C. on May 18, 1984. Upon approval of the mining plan by the Assistant Secretary, a permit can be issued when adequate bond is posted by the Price River Coal Company. The recommended bond amount totals $2,532,857.00. This amount includes bonding for the Crandall Canyon facility which is currently bonded at $350,000.00. The bond amount recommended is approximate until final approval of the Decision Document.

The enclosed State of Utah bond form must be completed by Price River Coal Company and forwarded to the Utah Division of Oil, Gas and Mining, and copies of the bond, the form and attachments sent to the OSM Western Technical Center in Denver. The Price River Mine Complex would be bonded under a single bond. The current $350,000.00 Crandall Canyon bond may be cancelled simultaneously with the issuance of a new bond for the amount of $2,532,857.00. The legal description of the proposed permit area, as prepared by OSM, is enclosed to assure that the bonded lands coincide with the permit description.

Should you have any questions on the contents of this letter, please contact either Dave Maxwell or Walt Swain at (303) 844-3806.

Sincerely,

for Allen D. Klein
Administrator
Western Technical Center

Enclosures

cc: Bob Hagen - OSM, Albuquerque
Susan Linner - UDOGM
Pam Grubaugh-Littig - UDOGM
Sharon Kliwinski - OSM, Washington, D.C.

MR FORM 5 (Revised January 1984)

Bond Number _____
Permit Number _____
Mine Name _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

THE MINED LANDS RECLAMATION ACT

BOND
****

The undersigned _____ as principal, and _____ as surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Office of Surface Mining in the penal sum of _____ dollars ($_____). Such sum shall be payable to one, but not both, of the above-named agencies.

The principal estimated in a "Notice of Intention to Commence Mining Operations and a Mining and Reclamation Plan," filed with the Division of Oil, Gas and Mining on the _____ day of _____, 19 _____, that _____ acres of land will be disturbed by this mining operation in the State of Utah. A description of the disturbed land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily reclaimed the above-mentioned lands affected by mining in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and the land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is noncancellable by the surety at any time for any reason including, but not limited to nonpayment of premium or bankruptcy of the permittee during the period of liability.

LEGAL DESCRIPTION OF THE PRICE RIVER MINE COMPLEX PROPOSED PERMIT AREA

T. 12 S., R. 9 E., sec. 26, 27, 28, 31, 32, 33, and 34; portions of sec. 22 and 36; sec. 25, SW 1/4; sec. 29, all except N 1/2 NW 1/4 and NW 1/4 NE 1/4; sec. 30, all except N 1/2 NW 1/4 and N 1/2 NE 1/4; and sec 35, N 1/2;

T. 13 S., R. 9 E., portions of sec. 1, 2, 3, 4, 5, 6, 8, 9, and 16; sec. 10 N 1/2;

T. 12 S., R. 10 E., portions of sec. 31;

T. 13 S., R. 10 E., portions of sec. 6, 10, and 16;

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

_____
Principal (Company)

By _____
Company Official - Position

Date: _____

_____
Surety (Company)

By _____
Official of Surety - Position

DATE: _____

BOARD:

_____

_____

DATE: _____