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December 27, 1976

Mr. E. A. Shaw, Safety Director
Plateau Mining Company
P.O. Box 539
Price, Utah 84501

Re: Surety for the Star Point
Coal Mine
ACT/007/006

Dear Mr. Shaw:

Enclosed is the surety estimate for the Star Point Coal Mine. The estimate is based on our projection of the actual costs of reclamation as provided in the plan submitted by your company. Inflation of costs over the life of the mine is included.

The Board of Oil, Gas, and Mining must approve the form and amount of surety. We plan to present this estimate for their approval at the Board meeting scheduled for January 19, 1977.

If the surety is reasonable, in your opinion, the Board could approve the form of surety at this same meeting providing your proposal reaches this office by that date. As you know, three (3) forms of surety are available to Plateau. The contract for reclamation (Form MR-6) can only be signed between the Board and the Parent Company of Plateau i.e. United Nuclear Corporation. The other two forms will cost extra money to obtain; a bond, or escrow fund, and can be delayed until three months after July, 1977 (see enclosed memo of October 5, 1976).

If we can be of any assistance please contact us.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

RONALD W. DANIELS, COORDINATOR
OF MINED LAND DEVELOPMENT

RWD/lc

Enclosures

cc: Board Members
Schore

DIVISION OF OIL, GAS, AND MINING
BOND ESTIMATE

OPERATOR: PLATEAU MINING COMPANY
 MINE NAME: Star Point Mines No's 1 & 2
 LOCATION: Sec. 10 & 16, T. 15 S., R. 8 E.
 COUNTY: Carbon
 DATE: December 27, 1976

	Operation	Amount	Rate	Cost	
A.	CLEAN-UP				
	1. Removal of structures & equipment.				
	2. Removal of trash & debris.				
	3. Leveling of ancillary facilities pads and access roads.		\$ 500.	\$ 500.	
B.	REGRADEING & RECONTOURING				
	1. Earthwork including haulage and grading of spoils, waste and overburden.				
	2. Recontouring of highwalls and excavations.				
	3. Spreading of soil or surficial materials.	6" soil cover over 36 acres 29,040 yd ³	10./ydyd	29,040.	
C.	STABILIZATION				
	1. Soil preparation, scarification, fertilization, etc.	59.7 acres	12./ad.	716.	
	2. Seeding or planting.	59.7 acres	100./ac.	5,970.	
	3. Construction of terraces, water-bars, etc.	miscellaneous	200./lot	200.	
D.	LABOR				
	1. Supervision.				
	2. Labor exclusive of bulldozer time.	40 hrs.	10./hr.	400.	
E.	SAFETY				
	1. Erection of fences, portal coverings, etc.	seals for 6 portals	300./ea.	1,800.	
	2. Removal or neutralization of explosive or hazardous materials.	Fencing reject piles		2,000.	
					Subtotal
F.	MONITORING				
	1. Continuing or periodic monitoring, sampling & testing deemed necessary.			40,626.	
G.	OTHER				
	1. Inflation	for 20 years	@ 5%	67,167.	
				\$107,793	*TOTAL*