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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

September 19, 1990

Mr. Ben Grimes  
Environmental Coordinator  
Cyprus-Plateau Mining Corporation  
P. O. Drawer PMC  
Price, Utah 84501

Dear Mr. Grimes:

Re: Reply to Concerns Raised in Reclamation and Bonding Agreement Forms, Cyprus-Plateau Mining Corporation, Starpoint Mine, ACT/007/006, Folder #4, Carbon County, Utah

The Division received the concerns outlined in your letter dated May 15, 1990 regarding the reclamation agreement. The concerns are addressed as in the order of your letter.

1. (Recital Paragraph 3 - Reclamation Agreement)

The Reclamation Agreement has been revised and updated to include the language "pursuant to applicable laws and regulations" (see attached).

2. (Paragraph 5 - Reclamation Agreement)

Attachment "D" must be filed when there is any applicable change, including a change in insurance carrier.

3. (Paragraph 7 - Reclamation Agreement)

The term "joint and severally" has been deleted (see attached).

4. (Paragraph 11 - Reclamation Agreement)

The term "reasonable" has been inserted prior to the word "costs". The term "Attorney's Fees" has been deleted (see attached).

5. The entire reclamation agreement and attendant forms include both non-federal and federal coal bonds. The federal form is applicable to the Starpoint Mine.

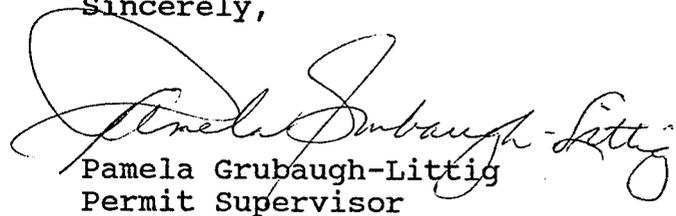
Page 2  
Ben Grimes  
ACT/007/006  
September 19, 1990

6. The surety bond forms have historically contained the noncancellable clause and will continue to do so.
7. (Paragraph 4 - Bond Form)

This paragraph has been revised to read "the surety and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the Division from any and all expenses which the Division may sustain as a result of the operator's failure to comply with the conditions of the "reclamation obligation" (see attached).

Please complete the attached forms by October 19, 1990.

Sincerely,



Pamela Grubaugh-Littig  
Permit Supervisor

djh  
Attachment  
cc: L. Braxton, DOGM  
T. Mitchell, DOGM  
R. Harden, DOGM  
AT/BT

Updated September 1990

RECLAMATION AGREEMENT

(C O A L)

CONTENTS:

Reclamation Agreement

Exhibit "A"  
Surface Disturbance

Exhibit "B"  
Bonding Agreement  
Surety Bond  
Collateral Bond

Exhibit "C"  
Liability Insurance

Exhibit "D"  
Stipulation to Revise Reclamation Agreement

Affidavits of Qualification

Power of Attorney

Revised September 1990  
RECLAMATION AGREEMENT

Permit Number \_\_\_\_\_  
Date Permit Issued \_\_\_\_\_  
Effective Date of Agreement \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

COAL RECLAMATION AGREEMENT  
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For the purposes of this RECLAMATION AGREEMENT the terms below are defined as follows:

"PERMIT" (Mine Permit No.) \_\_\_\_\_ (County) \_\_\_\_\_

"MINE" (Name of Mine) \_\_\_\_\_

"OPERATOR" (Company or Name) \_\_\_\_\_  
(Address) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"OPERATOR'S REGISTERED AGENT" (Name) \_\_\_\_\_  
(Address) \_\_\_\_\_  
(Phone) \_\_\_\_\_

"COMPANY OFFICERS": \_\_\_\_\_  
\_\_\_\_\_

"BOND TYPE" (Form of Bond) \_\_\_\_\_  
"BOND" (Bond Amount-Dollars) \_\_\_\_\_  
(Year-Dollars) \_\_\_\_\_  
INSTITUTION (Bank or Agency) \_\_\_\_\_  
POLICY OR ACCOUNT NUMBER \_\_\_\_\_

"LIABILITY INSURANCE" (Exp.) \_\_\_\_\_  
(Insurance Company) \_\_\_\_\_

"STATE": Utah (Department of Natural Resources)  
"DIVISION": Division of Oil, Gas and Mining  
"DIVISION DIRECTOR": Dianne R. Nielson

EXHIBITS:

		Revision Dates		
"SURFACE DISTURBANCE"	Exhibit "A"	_____	_____	_____
"BONDING AGREEMENT"	Exhibit "B"	_____	_____	_____
"LIABILITY INSURANCE"	Exhibit "C"	_____	_____	_____
"STIPULATION TO CHANGE BOND"	Exhibit "D"	_____	_____	_____

## RECLAMATION AGREEMENT

This RECLAMATION AGREEMENT (hereinafter referred to as "Agreement") is entered into by the Operator.

WHEREAS, on \_\_\_\_\_, 19 \_\_\_\_, the Division approved the Permit Application Package, hereinafter "PAP", submitted by \_\_\_\_\_, hereinafter "Operator"; and

WHEREAS, prior to issuance of a permit to conduct mining and reclamation operations on the property described in the PAP, hereinafter "Property", the Operator is obligated by Title 40-10-1, et seq., Utah Code Annotated (1953, as amended), hereinafter "Act", to file with the Division a bond ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act, and the State of Utah Division of Oil, Gas and Mining Rules pertaining to Coal Mining and Reclamation Activities, hereinafter "Rules"; and

WHEREAS, the Operator is ready and willing to file the bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division pursuant to applicable laws & regulations relating to the reclamation of the Property; and

WHEREAS, the Division is ready and willing to issue the subject a mining and reclamation permit upon acceptance and approval of the bond.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. The provisions of the Act and the Rules are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Rules shall supercede conflicting provisions of this Agreement.
2. The Operator agrees to comply with all terms and provisions of the PAP, the Act and the Rules, including the reclamation of all areas disturbed by surface coal mining and reclamation operations despite the eventuality that the cost of actual reclamation exceeds the bond amount.
3. The Operator agrees to provide a legal description of the property including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the permit period. The description is attached as Exhibit "A", and is incorporated by reference and shall be referred to as the "Surface Disturbance".
4. The Operator agrees to provide a bond to the Division in the form and amount acceptable to the Division ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act and the Rules. Said bond is attached as Exhibit "B" and is incorporated by reference.

## RECLAMATION AGREEMENT

5. The Operator agrees to maintain in full force and effect the public liability insurance policy submitted as part of the permit application. The Division shall be listed as an additional insured on said policy.
6. In the event that the Surface Disturbance is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the bond as appropriate.
7. The Operator does hereby agree to indemnify and hold harmless the State of Utah and the Division from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Operator or Operator's agent or employees failure to abide by the terms and conditions of the approved PAP and this Agreement.
8. The terms and conditions of this Agreement are non-cancellable until such time as the Operator has satisfactorily, as determined by the Division, reclaimed the Surface Disturbance in accordance with the approved PAP, the Act, and the Rules. Notwithstanding the above, the Division may direct, or the Operator may request and the Division may approve, a written modification to this Agreement.
9. The Operator may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the bond meets the requirements of the Act and the Rules, but no bond shall be released until the Division has approved and accepted the replacement bond.
10. Any revision in the Surface Disturbance, the bond amount, the bond type, the liability insurance amount coverage, and/or the liability insurance company, or other revisions affecting the terms and conditions of this Agreement shall be submitted on the form entitled "Stipulation to Revise Reclamation Agreement" and shall be attached hereto as Exhibit "D" (other exhibits as appropriate).
11. This Agreement shall be governed and construed in accordance with the laws of the state of Utah. The Operator shall be liable for all reasonable costs incurred by the Division to enforce this agreement.
12. Any breach of the provisions of this Agreement, the Act, the Rules, or the PAP may, at the discretion of the Division, result in an order to cease coal mining and reclamation operations, revocation of the Operator's permit to conduct coal mining and reclamation operations and/or forfeiture of the bond.

**RECLAMATION AGREEMENT**

- 13. In the event of forfeiture, the Operator agrees to be liable for additional costs in excess of the bond amount which may be incurred by the Division in order to comply with the PAP, the Act, and the Rules. Any excess monies resulting from the forfeiture of the bond amount upon compliance with this contract shall be refunded to the appropriate party.
- 14. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached hereto.

SO AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_

STATE OF UTAH:

\_\_\_\_\_  
Dianne R. Nielson, Director  
Division of Oil, Gas and Mining

OPERATOR:

\_\_\_\_\_  
Company Officer - Position

\_\_\_\_\_  
Company Officer - Position

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the Principal is a corporation, the Agreement shall be executed by its duly authorized officer.