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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 20, 1989

Mr. Dennis Schwehr
Manager, Environmental Affairs
Nevada Power Company
P. O. Box 230
Las Vegas, Nevada 89151

Dear Mr. Schwehr:

Re: Bond Calculation, Wellington Preparation Plant, ACT/007/012, Folder #2 & #4, Carbon County, Utah

This letter will confirm the Division's position on bonding requirements for the Wellington Preparation Plant, per your discussion with Susan Linner and other Division personnel on March 15, 1989.

A letter of credit in the amount of $2,591,000 (as per Randy Harden's calculation of January 1988) is acceptable to the Division and should be submitted as part of the request for transfer of permit for the Wellington Plant. Term of the Letter of Credit should be one to two years. During this time period, the Mining and Reclamation Plan (MRP) for the Wellington Preparation Plant will be resubmitted as part of the permit renewal process, and changes will be made to incorporate specific plans of Nevada Power Company for the project. After finalization of the resubmitted MRP, the bond required will be recalculated based on the specific operation and reclamation plans approved.

Please contact Susan Linner or Lowell Braxton if we can provide any assistance.

Best regards,

Dianne R. Nielson

Dianne R. Nielson

cl
cc L. Braxton
S. Linner
R. Harden
BT45/194

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