



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 20, 1992

Mr. R. Jay Marshall, Chief Engineer
Castle Valley Resources
P. O. Box 1282
Huntington, Utah 84528

Dear Mr. Marshall:

Re: Bond Readjustment and Follow-Up to Mid-Term Review, Castle Valley Resources, Wellington Preparation Plant, ~~ACT/200/012, Folder #3~~ Carbon County, Utah

The purpose of this letter is to document the agreements which were reached in the meeting held October 19, 1992, between representatives of Castle Valley Resources and the Division of Oil, Gas and Mining. Those in attendance were: Jay Marshall, Larry Johnson, Patrick Collins, Greg Poole, Lowell Braxton, Sharon Falvey, and Daron Haddock.

Most of our discussion centered around the bond readjustment at the Wellington Prep Plant and the fact that the Division's preliminary estimate would increase the bond to \$6,603,000. As you will recall the major reason for the increased bond was the lack of detail in the CVR plan with respect to the cover requirements of the refuse ponds and failure to demonstrate (using test plot data) that less than four feet of cover could be used to reclaim the ponds. The Division must use a "worst case" scenario for determining the bond amount.

We agreed in the meeting that CVR would be allowed time to provide more detailed information upon which a more accurate bond estimate could be based. In accordance with R645-301-830.400 it was agreed that CVR would be given until November 23, 1992 to complete the bond adjustment and post the bond amount.

Also discussed at the meeting were the results of the Mid-Term review and how deficiencies in the CVR plan would be addressed. Given the magnitude of the project, CVR will propose a schedule for providing the information outlined in the Mid-Term Review. This schedule must also be in place by the November 23rd date.

We appreciate your cooperation during the permitting process. Please don't hesitate to contact me if there are any questions or concerns.

Sincerely,

Daron R. Haddock
Permit Supervisor

cc: Patrick Collins, Mt. Nebo
L. Braxton
S. Falvey
W. Western