

C/007/013 Incoming



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101

<http://www.blm.gov/ut/st/en.html>



RECEIVED

NOV 28 2016

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:

3474

UTSL-066490

UTSL-069291

(UT-9223)

NOV 23 2016

CERTIFIED MAIL – Return Receipt Requested

91 7199 9991 7037 5227 2076

DECISION

UtahAmerican Energy, Inc.

P.O. Box 910

East Carbon, Utah 84520

: Coal Lease Bonds
: UTSL-066490 and UTSL-069291
:
:

Bond Required

On August 2, 2016 our office requested information in reply to request to terminate the period of liability of two bonds for leases UTSL-066490 and UTSL-069291 in the amounts of \$6,000 and \$3,000, respectively.

On October 4, 2016 a letter from Utah American Energy, Inc. (UEI) stated that UEI plans to reclaim these wells in the summer of 2017. However, the Utah Division of Oil, Gas and Mining (UDOGM) has required that the three water monitoring wells on these leases, which these bonds provide coverage for, be left available until new wells are be drilled to provide water monitoring information.

The surety for those bonds, Lincoln General was placed into liquidation by order of the Pennsylvania Commonwealth Court on November 5, 2015. On October 17, 2016 a representative from UEI stated that riders to these bond would be submitted changing the surety on these bonds. To date nothing has been received.

Therefore, the Bureau of Land Management (BLM) Utah State Office, in conjunction with the BLM Price Field Office, is requiring that these bonds be replaced in the amounts of \$6,000 for UTSL-066490 and \$3,000 UTSL-069291. A rider to your LMU bond is unacceptable as it is for coverage of rental and royalty requirements. These bond amounts may be provided by submitting a new surety bond or a personal bond for the required amount. Enclosed are forms for submitting a surety bond (Form 3504-3) or a personal bond (Treasury note or cash in lieu of bond) (Form 3504-1).

A period of thirty days is allowed in which to replace these bonds.



Roger L. Bankert
Chief, Branch of Minerals

Enclosures (2)
Surety Bond Form 3504-3
Personal Bond and Power of Attorney Form 3504-4

cc:
Mr. John Baza
Utah Division of Oil, Gas and Mining
Box 145801
Salt Lake City, Utah 84114-5801

Price Field Office (UTG02)