

0005

SCOTT M. MATHESON
Governor

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

CLEON B. FEIGHT
Director



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

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June 2, 1980

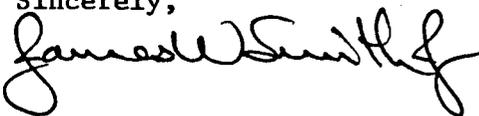
Mr. Dan Guy
Beaver Creek Coal Co.
P.O. Box AU
Price, Utah 84501

RE: Surety Estimate
Gordon Creek #2 Mine
Beaver Creek Coal Co.
Carbon County, Utah
ACT/007/016

Dear Dan:

Enclosed for your review and comments is a copy of the performance bond estimate for the Gordon Creek #2 Mine as determined by the Office of Surface Mining. If you have any questions, please contact the Division or the Office of Surface Mining.

Sincerely,


for THOMAS J. SUCHOSKI
ENGINEERING GEOLOGIST

TJS/te

Enc: Surety Estimate



United States Department of the Interior
OFFICE OF SURFACE MINING
Reclamation and Enforcement
BROOKS TOWERS
1020 15TH STREET
DENVER, COLORADO 80202

OFFICE OF THE REGIONAL DIRECTOR

*Rfto Tom
Ron, should we
forward estimate to
D70 Guy? look ok to me.
Is y/a
JWS*

114 MAY 1980

Mr. Ron Daniels
Coordinator of Mined Land Development
Department of Natural Resources
Division of Oil, Gas, and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Dear Ron:

Enclosed is a copy of our calculations used to determine the amount of the performance bond for the Gordon Creek No. 2 Mine. If you have any questions in regard to these calculations, contact John Nadolski of my staff (303-837-3773).

Sincerely,

DONALD A. CRANE

Enclosure

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211.3 Performance Bonds

A. Description of Existing Environment

No performance bond has been established for the Gordon Creek No. 2 Mine.

OSM Estimates on Bond for the Gordon Creek No. 2 Mine

1. Seal Portals: Materials and Equipment $\$500 + 2m, 1d \$1680 =$
 $\$660 \text{ per portal} \times 2 = \$ 1,320.$

Remove Structures

2. Fan: 2m, 2d, $\$320 +$ welder, 1d $\$174 +$ hauling $\$50 (20 \text{ mi}) = \$ 544.$
3. Bathhouse: 2m, 1d, $\$160 +$ hauling $\$50 (20 \text{ mi}) =$ $= \$ 210.$
4. Office and Supply Trailer: 2m, 2d $\$320 +$ hauling
 $\$100 (20 \text{ mix} \times 2) = \$ 420.$
5. Clean-up: 2m, 4d, $\$640 +$ FEL, 4d $\$2,720 +$ hauling,
2d $\$560 = \$ 4,967.$

Reclaiming areas

6. Reclaim Portal Area 9.2 acres: 2m, 10d $\$1,600 +$ backhoe,
10d $\$13,800 +$ CAT, 2d $\$1,800 +$ Compaction 20d $\$2,400 = \$20,200$
7. Haul Road 1.7 acres: 2m, 10d $\$1,600 +$ backhoe 10d $\$6,400$
 $+ CAT, 2d \$1,200 +$ Compaction, 10d $\$1,200 = \$10,400$
8. Restoration of Natural Drainage: 2m, 5d $\$800 +$ backhoe,
5d $\$3,200 +$ rockhaul, 2d $\$320 +$ Compaction, 5d $\$600 +$ FEL,
2d, $\$1,320 = \$ 6,240$
9. Topsoil Placement 10.9 acres: 2m, 6d $\$960 +$ FEL, 6d
 $\$3,600 +$ cultivate (spoil and soil), 2d $\$256 = \$ 4, 816$
10. Reseeding 10-9 acres: 2m, 5d $\$800 ($ broadcast and rake)
and seed $\$800 (150\#) = \$ 1,550$

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DIVISION OF
OIL, GAS & MINING

11.	Mulching 10.9 acres: 2m, 5d <u>\$800</u> (broadcast and rake) and mulch <u>\$100</u> (20 tons)	=	<u>\$ 1,800</u>
12.	Protective fencing: <u>\$1,000</u>	=	<u>\$ 1,000</u>
		TOTAL:	<u>\$53,467</u>
		+ 10% contingency:	<u>\$58,814</u>

OSM Estimate based on following elements:

Front End Loader (FEL)	\$85/hour
Dozer	\$75/hour
Backhoe (2')	\$80/hour
Dump Truck (15 yd)	\$35/hour
Stake Body Truck	\$20/hour
Laborer	\$10/hour
Welder	\$13/hour
Straw	\$50/ton
Seed	\$ 5/pound
Haul or Travel Charge	\$2.00/hour

C. Summary:

Complies with Section 211.3 if applicant places sufficient bond on the operation.

D. Revisions of Applicant's Proposal

None

E. Reanalysis of Compliance

None

F. Necessary Stipulations

Since no performance bond has been established for the Gordon Creek No. 2 Mine, Beaver Creek Coal Company must submit evidence of bonding in the amount of \$58,814 as required under 30 CFR 211.3. The bond must be payable to both the State of Utah and the U.S. Government.

G. Summary of Compliance.

Will comply if an adequate performance bond is submitted.

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H. Proposed Departmental Action

To approve the lease modification described above with a stipulation to obtain an adequate performance bond.

I. Residual Environmental Impacts of Proposed Departmental Action

None

J. Alternatives to Proposed Action

Performance bonds are required under Section 509 of the Surface Mining Control and Reclamation Act (PL 95-87, 1977). OSM has calculated that \$58,814 will be a sufficient amount to adequately reclaim the portal area and haul road.

MAY 19 1980

DIVISION OF
OIL, GAS & MINING

FILE COPY
(SWISHER)
BEAVER CREEK
GORDON CREEK #2
MINE
ACT/007/016
(007/016)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 WEST NORTH TEMPLE
SALT LAKE CITY, UTAH 84116

THE MINED LANDS RECLAMATION ACT
RECLAMATION PERFORMANCE BOND

BOND NO. 8082 93 00

Know all men by these presents, that we the undersigned, _____

Beaver Creek Coal Company, a Wholly-Owned Subsidiary of Atlantic Richfield Company
(State name and form of business organization of the Permit Applicant)

duly authorized to do business in the State of Utah, AS PRINCIPAL, and _____

Federal Insurance Company

a corporation organized and existing under the laws of the State of New Jersey and duly authorized to do business in the State of Utah, AS SURETY, are held and firmly bound unto the State of Utah, Division of Oil, Gas, and Mining, in the sum of Fifty-Eight Thousand Eight Hundred & Fourteen Dollars (\$58,814.00), lawful money of the United States, to be paid to the State of Utah, Division of Oil, Gas, and Mining and the United States Department of the Interior, Office of Surface Mining, upon order of forfeiture by the State of Utah, Division of Oil, Gas, and Mining, for the payment of which sum, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH that whereas the above named principal did on the 22nd day of November 1977, file with the Division of Oil, Gas, and Mining a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan", to secure authorization to engage in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act; that in said Notice the principal estimated that 9.18 acres of land will be affected by mining. Said land is described as follows:

approximately 6.18 acres used for mine yard, storage, and other surface facilities

and

approximately 3.0 acres used for the mine access road

located in the

SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$,
NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$,
Section 18, T13S, R8E, SLBM

These lands constitute the disturbed surface areas related to the Gordon Creek No. 2 Mine.

Now, therefore, the conditions of the obligation are such that, this bond shall remain in full force and effect until either released or forfeited pursuant to the provisions of the Utah Mined Land Reclamation Act and the Surface Mining Control and Reclamation Act of 1977 PL(95-87) and any rules and regulations adopted pursuant to said Acts.

PRINCIPAL

Bond No. _____

Signed and executed this 27th day of May, 1980 :

BY: Robert Gale Daniel *RSJ*

TITLE: Vice President
Beaver Creek Coal Company

State of Colorado }
County of Denver } SS.

The foregoing instrument was acknowledged before me by Robert Gale Daniel, Vice President, this 27th day of May, 1980.

Witness my hand and official seal.

Valma P. Rollins
(Notary Public or other authorized officer)

My Commission Expires: December 16, 1981

SURETY

Signed and executed this 27th day of May, 1980 :

BY: Marjory Davis

TITLE: Attorney-in-Fact

State of Colorado }
County of Denver } SS.

The foregoing instrument was acknowledged before me by Marjory Davis, this 27th day of May, 1980.

Witness my hand and official seal.

Colleen Shields
(Notary Public or other authorized officer)

My Commission Expires: Jan. 16, 1983

RESIDENT AGENT FOR SERVICE

Resident Agent: _____ Date: _____
(Signature)

_____ Address: _____
(Printed Name)

Approved as to form and execution:

Robert Hansen
Attorney General

BY: Dennis A. Draper Date: May 29, 1980
Special Assistant

APPROVED: Donald W. Hamblin DATE: 29 May 1980
Coordinator of Mined Land Development

Permit No. ACT/007/016

POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 100 William Street, New York, New York, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint **James C. Congelio, Robert W. Whitman, Marjory Davis and Robert F. Duncan of Denver, Colorado**-----

each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds or obligations given or executed in the course of its business, and any instruments amending or altering the same, and consents to the modification or alteration of any instruments referred to in said bonds or obligations.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this **27th** day of **November** **1979**

FEDERAL INSURANCE COMPANY
By



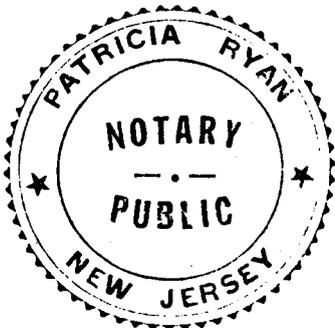
George McClellan
Assistant Vice-President

Richard D. O'Connor
Assistant Secretary

STATE OF NEW JERSEY }
County of Essex } ss:

On this **27th** day of **November** **1979**, before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of the FEDERAL INSURANCE COMPANY and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority; and that he is acquainted with George McClellan and knows him to be the Assistant Vice-President of said Company, and that the signature of said George McClellan subscribed to said Power of Attorney is in the genuine handwriting of said George McClellan and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Acknowledged and Sworn to before me
on the date above written.



Notary Public

PATRICIA RYAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires December 11, 1983