



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

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

January 9, 1995

Paige Beville  
Manager, Environmental, Health and Safety  
ARCO Coal Company  
555 Seventeenth Street  
Denver, Colorado 80202

Re: Phase II Bond Release, Gordon Creek #3 and #6 Mines, Mountain Coal Company, ACT/007/017, Folder #3 and #4, Carbon County, Utah

Dear Ms. Beville:

*Paige*

Enclosed please find the Decision Document and Findings for the Phase II Bond Release for Gordon Creek #3 and #6 Mines. Pursuant to these findings, the Division will release \$85,429 (Phase II) for the Gordon Creek #3 and #6 Mines. The remaining \$52,971 represents the amount of bond retained for the revegetated area which would be sufficient to cover the cost of reestablishing revegetation if completed by a third party.

If you have any questions, please call me or Pamela Grubaugh-Littig.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lowell'.

Lowell P. Braxton  
Associate Director, Mining

Enclosure

cc: Pamela Grubaugh-Littig  
Daron Haddock  
Joe Helfrich



DECISION DOCUMENT  
PHASE II BOND RELEASE  
GORDON CREEK #3 AND #6 MINES  
ACT/007/017

SUMMARY OF THE REVIEW PROCESS

The Gordon Creek #3 and #6 Mines is a reclaimed underground coal mine located in Coal Canyon, approximately 20 road miles northwest of Price, Utah . The permit area is located on the Jump Creek Utah, U.S. Geological Survey 15 minutes quadrangle map. The Gordon Creek #3 and #6 Mines shared common surface facilities, except conveyors and stockpiles. The Gordon Creek # 3 Mine was opened in 1969 and was continuously operated until September 1983. Three underground operations were located within a short distance of the Gordon Creek #3 Mine , - Sweets, National and Consumers Mine which were active in the 1940's, but are now closed. The Gordon Creek #6 Mine, located 160 feet above the #3 Mine was opened in 1978, although the construction and disturbance was created in 1969 (the same time as the #3 opened), and was operated until November 1980, when it closed due to economic and safety factors. Portals were sealed for both mines in September 1983.

The permit area is located on the eastern edge of the Wasatch Plateau and is characterized by a steep, narrow canyon containing conspicuous sandstone cliffs. The elevation of the area lies between 7,550 and 7,850 feet above sea level. Vegetation types adjacent to the mine area were oak-shrubland and sagebrush-grassland communities. The permit area cover 668 acres with the bonded area of about 28 acres. The mine permit area is located on mostly privately-owned land, with some state lands. Coal was mined from fee, state, county and federal leases.

Mine site reclamation included portal seals, structural removal, coal waste removal, backfilling, grading and revegetation. The Gordon Creek #3 and #6 Mines completed Phase I reclamation during the period of September 15, 1985 through November 30, 1986. The original bond posted for this property was \$346,000. The Division approved a 60% bond release (\$216,062) on June 26, 1987.

The Mountain Coal Company submitted a Phase II bond release application to the Division for the Gordon Creek #3 and #6 Mines on December 13, 1994 including a SEDCAD analysis and vegetative information. Mountain Coal Company requested release of an additional 30% of the original bond, or \$103,800 for the Phase II bond release.

The Phase II bond release inspection was conducted on May 18, 1994 with personnel from the Division, OSM-Albuquerque Field Office, OSM- Western Support Center, and Mountain Coal Company in attendance.

FINDINGS FOR PHASE II BOND RELEASE  
GORDON CREEK #3 AND #6 MINES  
ACT/007/017

In accordance with R645-301-880.120 and 200, the Mountain Coal Company published the newspaper advertisement for the Phase II bond release in the Sun Advocate on September 21, 28 and October 5 and 12, 1993. The Division scheduled the Phase II bond release inspection for May 18, 1994 by sending letters on April 22, 1994. This inspection was scheduled when weather permitted for inspection and evaluation of the reclamation work involved.

The Phase II bond release inspection was conducted on May 18, 1994 with the following attendees:

DOGM:	Susan White, Tom Munson, Henry Sauer, Pamela Grubaugh-Littig
OSM-AFO:	Edzel Pugh and Russ Porter
OSM-WSC:	Daylan Figgs and Phil Reinholtz
Mountain Coal Company:	Dan Guy and Dana Ballard (Blackhawk Engineering)

Vegetation Data for Phase II Bond Release

Mountain Coal Company notified the Division of its intent to conduct vegetation sampling on July 29 through July 31, 1993 for Phase II bond release. The Division subsequently notified OSM and invited them to conduct their own sampling. Division vegetation sampling was completed on August 6 and 10, 1993.

Mountain Coal Company sampled for vegetative cover and woody species density. Vegetative cover and woody species density met the Division's requirement for sample adequacy while production measurements were only taken to provide guidance to Mountain Coal Company for final bond release. Mountain Coal Company summarizes the statistical differences in the data in Table 33 of the vegetation report for bond release. The report finds that the reclaimed area is either significantly greater than or equal to the vegetation reference area for vegetative cover and woody plan density.

The Division sampled only for vegetative cover on the reclaimed mine site and the reference area. Vegetation composition and diversity data were obtained from

the cover data. The Division also found that the reclaimed area was either significantly greater than or equal to the vegetation reference area.

Statgraphics, Version 6 (1992) was used for all of the statistical analysis. The Division found no significant difference between the vegetation on the lower pad area and the reference area. Data from the Division and Mountain coal Company indicate the same statistical conclusion. According to the Division's definition of successful revegetation establishment, Gordon Creek #3 and #6 Mines have met the minimum qualification for the vegetation cover portion of Phase II bond release. R645-301-356.120 states that the reclaimed area only has to meet 90 percent of the success standard. All of the statistical conclusions used in this analysis were based on 100 percent of the standard. This fact provides greater confidence for Phase II bond release at this site. All of this information was forwarded to OSM-AFO on May 5, 1994, prior to the bond release inspection.

A final report by Division Biologist, Susan White, was done July 7, 1994 subsequent to the Phase II bond release field inspection and recommended Phase II bond release pursuant to R645-301-880.320.

#### Contribution of Additional Suspended Solids

An analysis related to past and present erosion rates from reclaimed mine sites were submitted by Mountain Coal Company using a Sediment Production Comparison generated by the Civil Software Design SEDCAD + Program, Version 3 (1992). The runoff volume, peak flow and sediment concentration were compared between past and present activities. Initial results of this computer analysis indicated that the sediment loads from the reclamation activities are no different than the pre-mining conditions. This information was forwarded to OSM-AFO on May 5, 1994.

The Universal Soil Loss Equation used in SEDCAD does not allow for gully erosion and an on-site assessment was made to ascertain any significant rill or gully erosion. This field assessment was made May 18, 1994. Based on visual observation by the Division Hydrologist, Tom Munson, he concluded the site was stable. A Phase II bond release was recommended based on the outcome of the site visit observation and the Sediment Production Comparison for pre- and postmining pursuant to R645-301-880.320, as well as reviewing past inspection report to document overall stability. The site has sustained several severe storm events successfully.

This Phase II bond release encompasses the entire surface disturbance for the Gordon Creek #3 and #6 Mines.

### Remaining Reclamation

Reclamation was completed in 1986 and the ten year bond liability period is completed in 1996. Mountain Coal Company started collecting the requisite vegetative information for two years for final bond release in 1994.

### Other Actions Surrounding Bond Release Inspection

On June 20, 1994 TDN X94-020-179-002 TV3 was received at the Division for 1) "Failed to demonstrate in writing to the Division that there was insufficient spoil to backfill face-up at #6 Mine", 2) "Failed to use all reasonably available spoil to backfill the face-up at #6 Mine", and 3) "Failed to eliminate all highwalls at face-up at #3 Mine", as a result of the May 18, 1994 Phase II Bond Release inspection. The Division submitted a response to OSM-AFO for this TDN on June 30, 1994. On July 18, 1994, TDN #94-020-179-002 TV1 was issued as a result of TDN X94-020-179-001TV3 being withdrawn and read: "Failed to eliminate all highwalls at Mine #3 and #6". The Division responded on July 28, 1994, but this response was found inappropriate by OSM-AFO on August 18, 1994.

On August 29, 1994, the Division responded to the August 18, 1994 OSM-AFO finding by letter to Ed Kay, Deputy Directory of OSM in Washington requesting and informal review of the TDN, i.e. review of the documentation surrounding the TDN issue. On September 9, 1994 the Division requests a stay of the Informal Appeal based on pending acquisition of field data and submittal of additional informal regarding availability of excess spoil at the mine. Verbal concurrence from OSM-Washington is granted on September 23, 1994 to this request. On September 27, 1994, the Division requested a second extension to October 5, 1994 to formalize the Division's position on the availability of spoil at this site. By letter dated October 3, 1994 to Ed Kay, OSM-Washington from Lowell Braxton, Associate Director, Mining, Division, a request is made to put the TDN informal appeal on hold until the October 1994 site visit by OSM-Washington is completed.

A site visit by OSM-Washington, OSM-AFO, OSM-WSC, and the Division to the Gordon Creek #3 and #6 Mines on October 24, 1994 with the following attendees:

OSM: Ed Kay and Vermal Davis (Washington), Charles Sandberg (OSM-WSC), Thomas Ehmett and Edzel Pugh (OSM-AFO)

Division: Lowell Braxton, Pete Hess, and Joe Helfrich

Mountain Coal Company: Paige Beville and Dan Guy

Phase II Bond Release  
Gordon Creek #3 and #6 Mines  
ACT/007/017  
Page 5

Pursuant to the October 24, 1994 site visit, OSM-Washington reversed the AFO decision of August 18, 1994.

On August 22, 1994 Lowell Braxton sent a letter to Thomas Ehmett requesting comments on any other outstanding issued at the Gordon Creek #3 and #6 Mines. No comments on any technical issues related to the Phase II bond release have been received to date.

#### Decision for Phase II Bond Release

Based on the documented findings that: 1) vegetation has been established pursuant to R645-301-880.320, and 2) no reclaimed lands at the Gordon Creek #3 and #6 Mines are contributing additional suspended solids to streamflow or runoff outside the permit area in excess of the requirement set by UCA 40-10-17 (j) of the Act and by R645-301-751, the Division proposes to release \$85,429.

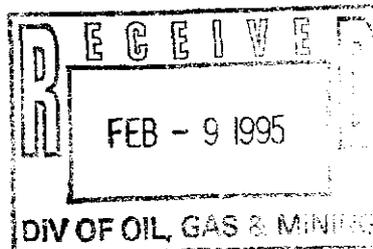
The remaining \$52,971 represents the amount of bond retained for the revegetated area which would be sufficient to cover the cost of reestablishing revegetation if completed by a third party.

ARCO Coal Company  
555 Seventeenth Street  
Denver, CO 80202  
Telephone: 303 293-7913  
Eng. Fax: 303 293-4073



February 2, 1995

Ms. Pamela Grubaugh-Littig  
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



*Route to Susan  
FII.*

*Original signed  
by Jim*

*Fireproof file  
Copy to ACT/007/017 #3  
copy Pam &  
Aaron*

RE: Phase II Bond Release, Gordon Creek #3 and #6 Mines, Mountain Coal Company, ACT/007/017, Folder #3 and #4, Carbon County, Utah

Dear Pam:

Enclosed please find the Rider to Mined Land Reclamation Act Bond U629895 which reduces our Surety Bond covering reclamation of Mountain Coal Company's Gordon Creek Nos. 3 and 6 Mines. This decrease was initiated following the receipt of Lowell Braxton's letter to me dated January 9, 1995 authorizing release of the Phase II Bond.

Please acknowledge acceptance of the Rider by signing and dating a copy of the Rider and returning it to the Surety. If you have any questions, please do not hesitate to contact me at the above number.

Sincerely,

Paige B. Beville  
Manager, Environmental, Health and Safety

/PBB  
enclosures

cc: S. W. Anderson - w/encl.  
E. E. DiClaudio - w/encl.  
J. E. Fisher - w/encl.  
D. W. Guy - w/encl.



**Reliance**

**RELIANCE SURETY COMPANY**  
Philadelphia, Pennsylvania

**RELIANCE INSURANCE COMPANY**  
Philadelphia, Pennsylvania

**UNITED PACIFIC INSURANCE COMPANY**  
Philadelphia, Pennsylvania

**RELIANCE NATIONAL INDEMNITY COMPANY**  
Philadelphia, Pennsylvania

**RIDER**

To be attached to and form a part of

MINED LAND RECLAMATION ACT BOND

Type of Bond:

U629895

Bond No.

MOUNTAIN COAL COMPANY

executed by

UNITED PACIFIC INSURANCE

and by

COMPANY, as Surety,

, as Principal,

in favor of

STATE OF UTAH, DIVISION OF OIL, GAS AND MINING

and dated

September 5, 1991

In consideration of the premium charged for the attached bond, it is hereby agreed to change:

THE AMOUNT OF THE BOND IS REDUCED:

From:

\$138,400.00

(One Hundred Thirty-Eight Thousand Four Hundred and no/100---dollars)

To:

\$52,971.00

(Fifty-Two Thousand, Nine Hundred Seventy-One and no/100 -- dollars)

The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

This rider is effective

January 16, 1995

Signed and Sealed

January 16, 1995

Principal

MOUNTAIN COAL COMPANY

By: *Richard D. Rich*

Vice-President

Title

UNITED PACIFIC INSURANCE

COMPANY

By: *Cassie J. Berrisford*

Cassie J. Berrisford

Attorney-in-Fact

RIDER ACCEPTED (Please sign duplicate of this Rider and return to Surety)

By:

Date

CALIFORNIA CIVIL CODE - CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA )  
County of Los Angeles )

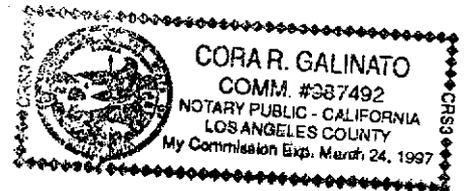
On January 16, 1995, before me, CORA R. GALINATO, NOTARY PUBLIC,

personally appeared CASSIE J. BERRISFORD  
\_\_\_\_\_  
\_\_\_\_\_

personally known to me (or proved to me on the basis of satisfactory evidence)  
to be the person(s) whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s)  
acted, executed the instrument.

WITNESS my hand and official seal.

Signature *Cora R. Galinato* (Seal)



# UNITED PACIFIC INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint Cassie J. Berrisford, individually, of Los Angeles, California, its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of suretyship and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

### ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKING

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

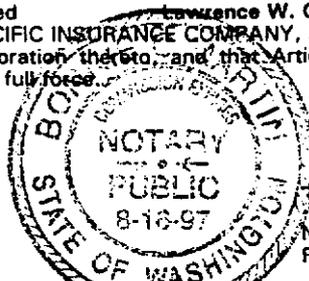
IN WITNESS WHEREOF, the UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed, this 8 day of October, 1993

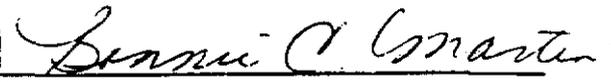
UNITED PACIFIC INSURANCE COMPANY

  
Vice President

STATE OF Washington }  
COUNTY OF King } ss.

On this 8 day of October, 1993 personally appeared Lawrence W. Carlstrom to me known to be the Vice President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company, and the Resolution, set forth therein, are still in full force.



  
Notary Public in and for State of Washington  
Residing at Sumner

I, Robyn Layng, Assistant Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 16th day of January 19 95

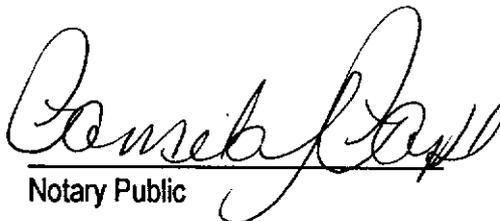
  
Assistant Secretary

STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

I hereby certify that on this day before me, an officer duly authorized in the State, City and County aforesaid, to take acknowledgments, personally appeared **Richard D. Pick**, known to me to be the Vice President of Mountain Coal Company, a Delaware corporation, and to me known to be the person described in the foregoing instrument, and acknowledged before me that he executed the same.

Witness my hand and official seal in the City and County and State last aforesaid as of this thirty-first day of January, 1995.



  
Notary Public

Address: Denver, Colorado

My commission expires: June 21, 1995

**CERTIFICATE**

I, **Thomas F. Linn**, a duly appointed Assistant Secretary of **Mountain Coal Company** (the "Company"), a corporation organized under the laws of the State of Delaware, do hereby certify that:

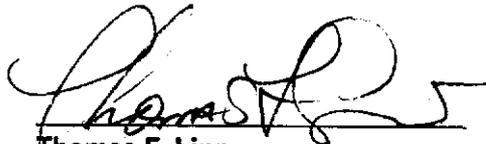
1. Richard D. Pick was duly appointed Vice President of Mountain Coal Company, a wholly-owned subsidiary of Atlantic Richfield Company, pursuant to and in accordance with a Resolution of Mountain Coal Company's Board of Directors, and that said Vice President is currently a qualified and acting Vice President of Mountain Coal Company.
2. Said Vice President in his capacity as Vice President of Mountain Coal Company is empowered to execute and deliver various documents and instruments in accordance with the following resolution adopted by the Board of Directors of Atlantic Richfield Company at its meeting on September 19, 1994:

RESOLVED, That the Chairman, the President, any Vice President and the Treasurer be and they are hereby severally empowered to execute all contracts, documents, assignments, releases, proxies, powers of attorney with full and general or limited authority, with power of substitution, or any other instrument similar or dissimilar to the preceding, and other papers requiring execution in the name of the Company; and the Secretary and any Assistant Secretary are hereby authorized to affix the seal of the Company to such papers as require the seal. Each of such officers is hereby empowered to acknowledge and deliver any such instruments or papers as fully as if special authority had been granted in each particular case.

I further certify that the foregoing Resolution is still in full force and effect and has not been amended or rescinded.

WITNESS my hand and seal of this Company this thirty-first day of January, 1995.

[SEAL]

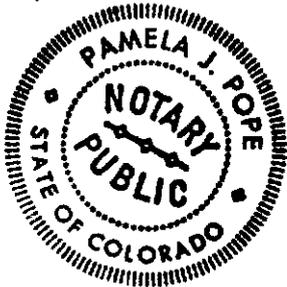


**Thomas F. Linn**  
Assistant Secretary

STATE OF COLORADO            )  
  ) ss.  
CITY & COUNTY OF DENVER    )

I hereby certify that on this day before me, an officer duly authorized in the State, City and County aforesaid, to take acknowledgments, personally appeared **Thomas F. Linn**, known to me to be the Assistant Secretary of Mountain Coal Company, a Delaware corporation, and to me known to be the person described in the foregoing instrument, and acknowledged before me that he executed the same.

Witness my hand and official seal in the City and County and State last aforesaid as of this thirty-first day of January, 1995.



A handwritten signature in cursive script, appearing to read "Pamela J. Pope", written over a horizontal line.

Notary Public

Address: Denver, Colorado

My commission expires: June 21, 1995



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

Michael O. Leavitt  
Governor  
Ted Stewart  
Executive Director  
James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

August 22, 1994

Thomas E. Ehmett, Acting Director  
Office of Surface Mining  
Reclamation and Enforcement  
505 Marquette N.W., Ste. 1200  
Albuquerque, NM 87102

Re: Comments/Concurrence Requested on Division Evaluation of Phase II Bond Release Information, Gordon Creek #3 and #6, ACT/007/017-93B, Huntington #4 Mine, ACT/015/004-93D, Folder #2, Carbon and Emery Counties, Utah

Dear Mr. <sup>Tom</sup>Ehmett:

The Division conducted the Phase II Bond Release inspections with inspectors from the Albuquerque Field Office (AFO) for Gordon Creek #3 and #6 and Huntington #4 Mines on May 18, 1994. Pursuant to the requirements of R645-301-880.320:

"At the completion of Phase II, after revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan, an additional amount of bond (may be released). When determining the amount of bond to be released after successful revegetation has been established, the Division will retain that amount of bond for the revegetated area which would be sufficient to cover the cost of reestablishing revegetation if completed by a third party and for the period specified for operator responsibility in UCA 40-10-17 (t) of the Act for reestablishing revegetation.

No part of the bond or deposit will be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of the requirements set by UCA 40-10-17 (j) of the Act and by R645-301-751 or until soil productivity for prime farmlands has returned to the equivalent levels of yields as nonmined land of the same soil type in the surrounding area under equivalent management practices as determined from the soil survey performed pursuant to UCA 40-10-11 (4) of the Act and R645-301-200. Where a silt dam is to be retained as a permanent impoundment pursuant to R645-301-700, the Phase II portion of the bond may be released under this paragraph so long as provisions for sound future maintenance by the operator or the landowner have been made with the Division."



OSM Comments/Concurrence  
Phase II Bond Release  
Gordon Creek #3 and #6 Mines  
ACT/007/017  
Huntington #4 Mine  
ACT/015/004  
Page 2

As part of the Phase II Bond Release inspection for these mines, the Division gave OSM the Division's evaluation of the revegetation during the inspection on May 18, 1994. Additionally, as part of the Phase II Bond Release applications (transmitted to AFO on May 3, 1994), Sed-Cad was used to demonstrate erosional stability associated with additional contributions of sediment. The Division has determined this demonstration to be adequate in conjunction with its field assessment of this issue.

Both of these mines have received Phase I Bond Releases. Pending resolution of the current Ten-Day-Notices, that belatedly address Phase I issues, the Division will consider approving Phase II Bond Release for these mines. In order to proceed in a timely manner, the Division requests your comments and/or concurrence on any other issues outstanding at these mines.

If you have any questions, please call me or Pamela Grubaugh-Littig.

Sincerely,



Lowell P. Braxton  
Associate Director, Mining

cc: Pamela Grubaugh-Littig  
Susan White  
Tom Munson

United States  
Department of  
Agriculture

Forest  
Service

Manti-La Sal  
National Forest

599 West Price River Dr.  
Price, Utah 84501  
(801) 637-2817

File Code: 2820

Date: February 15, 1995

*File 4/17 -  
What about  
plans? Not sure  
cc: Carter*

FEB 17 1995

DEPARTMENT OF OIL, GAS & MINING

Thomas E. Ehmett  
Acting Director  
Office of Surface Mining Reclamation and Enforcement  
Albuquerque Field Office  
Suite 1200  
505 Marquette Avenue N. W.  
Albuquerque, New Mexico 87102

*Jess 4/17  
3 1/2 dot head  
bond # anticipated  
plans? for his should we  
Copy PAM Condition of  
pond based on  
pond manual?  
Dx.  
Pam*

RE: Decision Document, Phase II Bond Release, Huntington #4 Mine, Mountain Coal Company, ACT/015/004-93D, Folder #3, Emery County, Utah

Dear Mr. Ehmett:

We have reviewed the Decision Document and consent to the phase II bond release.

Our only concern is that the remaining bond be sufficient to cover reclamation of the sediment pond which lies on National Forest System lands. It is not clear whether or not reclamation of the pond was considered in calculation of the bond amount discussed in the last paragraph of page 5. We are in agreement with the Utah Division of Oil, Gas and Mining that the pond is no longer needed and should be reclaimed.

If you have any questions, please contact Carter Reed at the Forest Supervisor's Office in Price, Utah.

Sincerely,

*Bud B Boney*

for  
AARON L. HOWE  
Acting Forest Supervisor

cc:  
Pam Littig, UDOGM  
D-2/D-3



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

Michael O. Leavitt  
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355 West North Temple  
 3 Triad Center, Suite 350  
 Salt Lake City, Utah 84180-1203  
 801-538-5340  
 801-359-3940 (Fax)  
 801-538-5319 (TDD)

December 7, 1994

138,400 11/28/94  
 103,800 letter.  
 \$ 34,600

TO: File  
 FROM: Jess Kelley, Reclamator  
 RE: Amount of Phase II Bon  
#3 & #6 Mine, ACT/00'

Post-it routing request pad 7664  
DUANO

**ROUTING - REQUEST**

SYNOPSIS

The permittee, Mountair for this site. This memorandum preser the reclamation bond should be release

Please

- READ
- HANDLE
- APPROVE
- and
- FORWARD
- RETURN
- KEEP OR DISCARD
- REVIEW WITH ME

To Susan -  
 Help!  
 Per my 11/28/94  
 Linking \$103,800  
 was released,  
 per \$5,429.  
 Can this not be  
 covered for reveg?  
 Please let me know. M. P.M.

Date \_\_\_\_\_ From \_\_\_\_\_

ANALYSIS

R645-301-880.320 states that a portion of the reclamation bond may be released when it is determined that vegetation has been reestablished on a site and defines Phase II of reclamation as the reestablishment of vegetation. This regulation also states that it is the Division that must determine the size of this portion and requires that the Division "retain that amount of bond for the revegetated area which would be sufficient to cover the cost of reestablishing revegetation [sic] if completed by a third party . . ." In accordance with this regulation, therefore, this writer makes the determination which follows.

Complete revegetation of the site would require 1) reseeding, and 2) mulching. The costs of these operations are as follows:

**Reseeding**

Hydroseeding (from Means® 1994 Heavy Construction Cost Data, Category 029 308 5400)--\$575 per acre

Seed Mix (from Division Biologist Susan White)--\$350 per acre

Power Mulching (from Means® 1994 Heavy Construction Cost Data, Category 029 516 0350)--\$893 per acre





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

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

December 7, 1994

TO: File

FROM: Jess Kelley, Reclamation Engineer JK

RE: Amount of Phase II Bond Release, Mountain Coal Company, Gordon Creek #3 & #6 Mine, ACT/007/017, Folder No. 4, Carbon County, Utah

SYNOPSIS

The permittee, Mountain Coal Company, has applied for Phase II bond release for this site. This memorandum presents this writer's recommendation as to how much of the reclamation bond should be released and how much should be retained.

ANALYSIS

R645-301-880.320 states that a portion of the reclamation bond may be released when it is determined that vegetation has been reestablished on a site and defines Phase II of reclamation as the reestablishment of vegetation. This regulation also states that it is the Division that must determine the size of this portion and requires that the Division "retain that amount of bond for the revegetated area which would be sufficient to cover the cost of reestablishing revegetation [sic] if completed by a third party . . ." In accordance with this regulation, therefore, this writer makes the determination which follows.

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Thus, the revegetation cost is \$1,818 per acre. Since the total disturbed area is 28 acres, the total revegetation cost for the entire site is \$50,904, in 1994 dollars. And since the annual escalation rate is now 2.01%, that cost can be expected to escalate to \$52,971 in the 2 years which remain in the 10-year reclamation period. \$52,971 is thus the amount of the bond which should be retained.

### FINDINGS

The sum of \$138,400 is left in the reclamation bond. \$52,971 of this sum should be retained and \$85,429 should be released upon Division approval of Phase II of reclamation.

cc: Pamela Grubaugh-Littig  
Daron Haddock  
GC36PH2B.MEM



**State of Utah**  
 DEPARTMENT OF NATURAL RESOURCES  
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 3 Triad Center, Suite 350  
 Salt Lake City, Utah 84180-1203  
 801-538-5340  
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February 17, 1995

Paige Beville  
 Manager, Environmental, Health, and Safety  
 ARCO Coal Company  
 555 Seventeenth Street  
 Denver, CO 80202

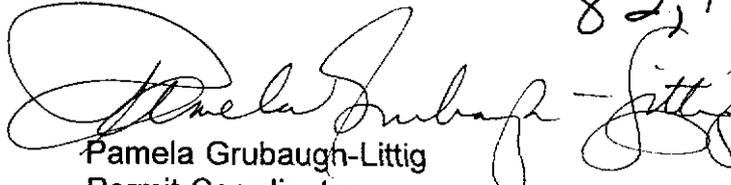
Re: Acceptance of Rider to Decrease Bond #U629895, Phase II Bond Release,  
 Gordon Creek #3 and #6 Mines, Mountain Coal Company, ACT/007/017,  
 Folders #3 and #4, Carbon County, Utah

Dear Ms. Beville:

Enclosed please find a copy of the rider to the above-noted bond which acknowledges acceptance of the decrease in the bond due to the Phase II Bond Release, effective February 13, 1995.

If you have any questions, please call me.

Sincerely,

  
 Pamela Grubaugh-Littig  
 Permit Coordinator

138,400  
 52,971  
 -----  
 85,429

Enclosure  
 cc: Susan White





**Reliance**

**RELIANCE SURETY COMPANY**  
Philadelphia, Pennsylvania

**RELIANCE INSURANCE COMPANY**  
Philadelphia, Pennsylvania

**UNITED PACIFIC INSURANCE COMPANY**  
Philadelphia, Pennsylvania

**RELIANCE NATIONAL INDEMNITY COMPANY**  
Philadelphia, Pennsylvania

**RIDER**

To be attached to and form a part of

Type of Bond: MINED LAND RECLAMATION ACT BOND

Bond No. U629895

executed by MOUNTAIN COAL COMPANY, as Principal,

and by UNITED PACIFIC INSURANCE COMPANY, as Surety,

in favor of STATE OF UTAH, DIVISION OF OIL, GAS AND MINING

and dated September 5, 1991

In consideration of the premium charged for the attached bond, it is hereby agreed to change:

THE AMOUNT OF THE BOND IS REDUCED:

From: \$138,400.00  
(One Hundred Thirty-Eight Thousand Four Hundred and no/100---dollars)

To: \$52,971.00  
(Fifty-Two Thousand, Nine Hundred Seventy-One and no/100 -- dollars)

The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

This rider is effective January 16, 1995

Signed and Sealed January 16, 1995

Principal MOUNTAIN COAL COMPANY

By: Richard D Rich Vice-President  
Title

UNITED PACIFIC INSURANCE

COMPANY

By: Cassie J Berrisford Attorney-in-Fact

**RIDER ACCEPTED (Please sign duplicate of this Rider and return to Surety)**

By: [Signature]  
Date: 2/13/95

CALIFORNIA CIVIL CODE - CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA     )  
                                  )  
County of Los Angeles    )

On January 16, 1995, before me, CORA R. GALINATO, NOTARY PUBLIC,

personally appeared CASSIE J. BERRISFORD

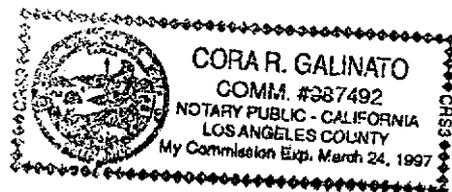
\_\_\_\_\_

\_\_\_\_\_

personally known to me (or proved to me on the basis of satisfactory evidence)  
to be the person(s) whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same in his/her/their  
authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s)  
acted, executed the instrument.

WITNESS my hand and official seal.

Signature *Cora R. Galinato* (Seal)



# UNITED PACIFIC INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint Cassie J. Berrisford, individually, of Los Angeles, California, its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of suretyship and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

### ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKING

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

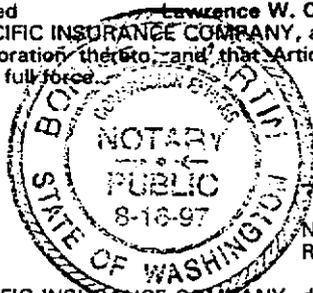
IN WITNESS WHEREOF, the UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed, this 8 day of October, 1993

UNITED PACIFIC INSURANCE COMPANY

  
Vice President

STATE OF Washington }  
COUNTY OF King } ss.

On this 8 day of October, 1993 personally appeared Lawrence W. Carlstrom to me known to be the Vice President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company, and the Resolution, set forth therein, are still in full force.



  
Notary Public in and for State of Washington  
Residing at Sumner

I, Robyn Layng, Assistant Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect.

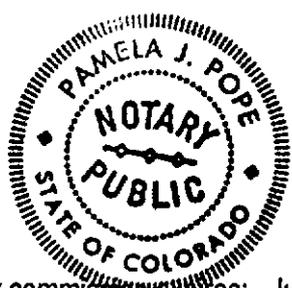
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 16th day of January 19 95

  
Assistant Secretary

STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

I hereby certify that on this day before me, an officer duly authorized in the State, City and County aforesaid, to take acknowledgments, personally appeared **Richard D. Pick**, known to me to be the Vice President of Mountain Coal Company, a Delaware corporation, and to me known to be the person described in the foregoing instrument, and acknowledged before me that he executed the same.

Witness my hand and official seal in the City and County and State last aforesaid as of this thirty-first day of January, 1995.



*Pamela J. Pope*  
\_\_\_\_\_  
Notary Public

Address: Denver, Colorado

My commission expires: June 21, 1995

CERTIFICATE

I, Thomas F. Linn, a duly appointed Assistant Secretary of Mountain Coal Company (the "Company"), a corporation organized under the laws of the State of Delaware, do hereby certify that:

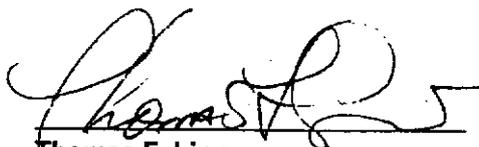
1. Richard D. Pick was duly appointed Vice President of Mountain Coal Company, a wholly-owned subsidiary of Atlantic Richfield Company, pursuant to and in accordance with a Resolution of Mountain Coal Company's Board of Directors, and that said Vice President is currently a qualified and acting Vice President of Mountain Coal Company.
2. Said Vice President in his capacity as Vice President of Mountain Coal Company is empowered to execute and deliver various documents and instruments in accordance with the following resolution adopted by the Board of Directors of Atlantic Richfield Company at its meeting on September 19, 1994:

RESOLVED, That the Chairman, the President, any Vice President and the Treasurer be and they are hereby severally empowered to execute all contracts, documents, assignments, releases, proxies, powers of attorney with full and general or limited authority, with power of substitution, or any other instrument similar or dissimilar to the preceding, and other papers requiring execution in the name of the Company; and the Secretary and any Assistant Secretary are hereby authorized to affix the seal of the Company to such papers as require the seal. Each of such officers is hereby empowered to acknowledge and deliver any such instruments or papers as fully as if special authority had been granted in each particular case.

I further certify that the foregoing Resolution is still in full force and effect and has not been amended or rescinded.

WITNESS my hand and seal of this Company this thirty-first day of January, 1995.

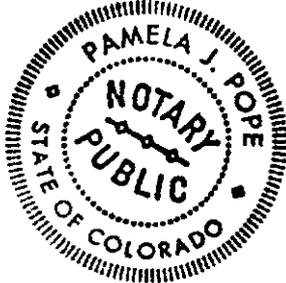
[SEAL]

  
Thomas F. Linn  
Assistant Secretary

STATE OF COLORADO )  
 ) ss.  
CITY & COUNTY OF DENVER )

I hereby certify that on this day before me, an officer duly authorized in the State, City and County aforesaid, to take acknowledgments, personally appeared **Thomas F. Linn**, known to me to be the Assistant Secretary of Mountain Coal Company, a Delaware corporation, and to me known to be the person described in the foregoing instrument, and acknowledged before me that he executed the same.

Witness my hand and official seal in the City and County and State last aforesaid as of this thirty-first day of January, 1995.



*Pamela J. Pope*  
\_\_\_\_\_  
Notary Public

Address: Denver, Colorado

My commission expires: June 21, 1995



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

Michael O. Leavitt  
Governor  
Ted Stewart  
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James W. Carter  
Division Director

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801-538-5319 (TDD)

February 24, 1995

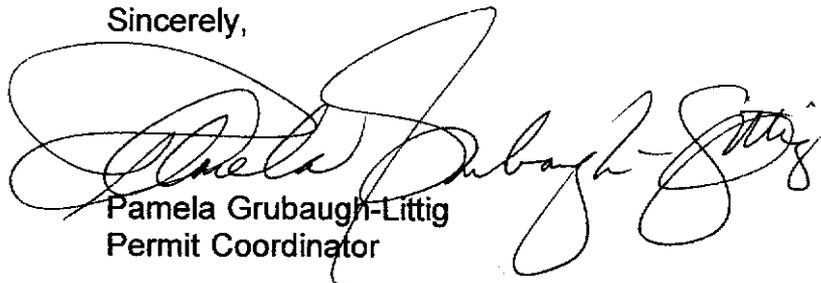
Paige B. Beville, Manager  
Environmental, Health, Safety  
ARCO Coal Company  
555 Seventeenth Street  
Denver, CO 80202

Re: Updates of Mountain Coal Company Officers, Gordon Creek #2, #7, and #8 Mines, ACT/007/016-94D, Gordon Creek #3 and #6 Mines, ACT/007/017-94B, C.V. Spur, ACT/007/022-94C, Huntington #4 Mine, ACT/015/004-94B, Mountain Coal Company, Folders #3, Carbon and Emery Counties

Dear Ms. Beville:

The information submitted October 14, 1994 has been input into the AVS system and is approved for incorporation into the above-noted mining and reclamation plans.

Sincerely,



Pamela Grubaugh-Littig  
Permit Coordinator

cc: Daron Haddock  
Susan White  
Bill Malencik, PFO

