

C/007/020 Incoming



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



June 2, 2017

RECEIVED

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DIV. OF OIL, GAS & MINING

Dana Dean, Associate Director
Coal Mining Program
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Re: April 2017 Board Order; Forfeiture of Performance Bond for the Horizon Mine, Permit Number C0070020

Dear Ms. Dean,

This letter acknowledges the Office of Surface Mining Reclamation and Enforcement (OSMRE), Denver Field Division, Denver Field Branch's (DFB) receipt and review of the Utah Board of Oil, Gas and Mining's (the Board) Orders signed April 26, 2017. The Board Orders (1) approved the Stipulation to Settle All Claims, and Dismiss Notice of Agency Action Against Alex Walker III, and Amanda Walker Cardinali (Stipulation); and (2) granted the Utah Division of Oil, Gas and Mining's (DOGM) Motion to Default and Enter Judgment Against Hidden Splendor Resources, Inc. (HSR) and American West Resources, Inc. (AWR). In issuing its Order approving the Stipulation, the Board authorizes the surrender and transfer of title of a condominium held as surety for the reclamation of Horizon Mine Permit No. C0070020 to DOGM to use such proceeds resulting from a sale to reclaim land disturbed at Horizon Mine. In accordance with the State-Federal Cooperative Agreement at 30 C.F.R. § 944.30, Article IX: Bonds, federal mine performance bonds are subject to forfeiture under the State program procedures upon receipt of OSMRE's concurrence.

Based on Utah's information presented to the Board, the estimated market value of the condominium held as collateral is likely sufficient to cover the costs of the remaining reclamation obligations. The condominium, located at 48 West Broadway, Unit # 2404, Salt Lake City, Utah 84101, was appraised at \$585,000.00. DOGM calculated the total bond estimate for Horizon Mine at \$513,464.23 in 2016 dollars. In the event the forfeited bond is insufficient to cover the costs of implementing the approved reclamation plan, OSMRE will coordinate with the appropriate federal land management agency to modify and approve an alternate reclamation plan.

DFB agrees that the revocation of Permit Number C0070020 and forfeiture of the associated performance bond at Horizon Mine is warranted and appropriate, and hereby provides concurrence to forfeit the bond. Please direct any questions concerning this bond forfeiture to Alexis Long, Environmental Protection Specialist, at along1@osmre.gov.

Sincerely,

A handwritten signature in blue ink that reads "Howard E. Strand". The signature is written in a cursive style with a prominent initial "H".

Howard E. Strand, Manager
Denver Field Branch