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William B. Prince

July 21, 1989

HAND DELIVERED

Mr. L. P. Braxton, Administrator  
Mineral Resource Development  
and Reclamation Program  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Re: North American Equities - Blazon #1 Mine;  
INA/007/021 - Request for Phase I Bond  
Release

Dear Lowell:

Pursuant to UMC/SMC 800.40 of the regulations [R614-301-880], North American Equities, Ltd. ("NAE") hereby formally submits its application for partial release of its reclamation performance bond posted in conjunction with the referenced underground coal mining permit. In support of its request, NAE represents that it has completed Phase I, completion of backfilling and regrading and drainage control of the bonded areas, in accordance with the approved reclamation plan.

A description of the release area, which property is located in Carbon County, Utah, is more particularly described as follows:

Township 13 South, Range 7 East, SLB&M

Section 4: SW $\frac{1}{4}$ , portions of SE $\frac{1}{4}$ , NE $\frac{1}{4}$ , NW $\frac{1}{4}$ .

The amount of the current bond is \$48,400.00, and the portion of the bond proposed to be released for Phase I is 60%

Mr. L. P. Braxton, Administrator  
July 21, 1989  
Page 2

of the current bond amount or \$29,040.00. The total number of disturbed acres is 6.5 and the acres proposed to be released for Phase I is 6.5.

As required by the applicable regulations, we have been advised that NAE has complied with the following requirements:

1. Addressed all outstanding stipulations for the permit.
2. Submitted as-built plans, including designs, reports and drawings of the reclamation work accomplished.
3. Submitted all modifications, amendments and changes to the reclamation work, as approved by the Division of Oil Gas & Mining ("DOGM") and incorporated into the reclamation plan.
4. Submitted a detailed cost estimate for the remaining reclamation work to be accomplished in the reclamation plan.
5. Submitted a copy of the proposed newspaper advertisement for requesting bond release. The proposed newspaper advertisement is enclosed with this application.

NAE will provide notice to the following surface owners, subsurface owners, adjoining property owners, applicable federal, state and local governmental agencies, local planning agencies, sewage and water treatment authorities and local utilities advising them of its intention to seek partial release from the bond:

Kaiser Steel Corporation  
Kanawha & Hocking Coal and Coke  
Jack Otani  
Margie C. Jacob and Paul E. Jacob, Trustees of the  
Milton E. Jacob Family Trust  
Calvin Jacob  
Pleasant Grove Utah State  
Pleasant Grove Utah East Stake  
Paul J. Barton, Trustee or his Successors-in-Trust as  
Trustees of the Paul J. Barton Family Trust  
Agreement  
Margie & Calvin Jacob  
Calvin K. Jacob, Trustee of The Calvin K. Jacob  
Family Trust  
Rescue-Med, Inc.  
Milton A. Oman, Trustee of the Milton A. Oman Family  
Trust

Utah Power & Light Co.  
J. Mark and James C. Jacob  
Mayor of Price, Utah  
Price River Water Users Association  
Price River Distribution System  
Price Water Improvement District  
Carbon County Commission  
Carbon County Planning & Zoning Commission  
Price City Council  
Scofield City Council  
Mayor of Clear Creek, Utah  
Clear Creek City County  
Clear Creek Utilities  
Utah State Department of Health  
Utah State Department of Water Resources  
Utah State Department of Wildlife Resources  
Utah State Historical Society  
U.S. Department of Interior, Bureau of Land Management  
U.S. Department of Agriculture, Forest Service  
U.S. Department of Agriculture, Soil Conservation

A copy of the proposed notice letter and the addresses of each of the foregoing parties are also enclosed.

In addition, we have been advised that Earthfax Engineering, Inc. has submitted the following documents to your office on behalf of NAE:

1. A map illustrating the "as-built" topography.
2. Pre and post-mining contour topographic maps.
3. Results of overburdened chemical analysis with discussion on how overburden will not adversely affect plant growth or water quality.
4. Evaluation of topsoil or substitute soil, including analysis and replacement depths.
5. Evaluation of subsoil, including analysis and replacement depths.
6. Field designs, modifications and changes to the reclamation plan which occurred in conjunction with the reclamation activities.
7. A brief history of mining and reclamation activities, indicating when mining operations began and ended, and when earthwork and topsoil distribution began and ended.

Mr. L. P. Braxton, Administrator  
July 21, 1989  
Page 4

Additionally enclosed is a copy of the proposed newspaper advertisement which is being submitted for your approval. This advertisement will run once a week for four successive weeks in the Sun Advocate, advising the public of NAE's application for partial release of its reclamation performance bond.

Once your approval has been obtained, NAE will proceed immediately to give notice to the required third parties and to commence the publication of the newspaper advertisement. Your prompt attention to this matter would be greatly appreciated. If you have any questions, please let me know.

Very truly yours,

  
William B. Prince

jcw/enc.

cc: Alan W. Smith (NAE)  
Jill Stahl (NAE)  
Richard White (Earthfax)

NOTICE OF APPLICATION FOR BOND RELEASE

Permit No. INA/007/021  
Permittee - North American Equities, Ltd.  
Permit Approval Date - October 4, 1985

NOTICE IS HEREBY GIVEN that North American Equities, Ltd., pursuant to the Utah Administrative Code, R614-301-880, intends to seek partial release of the performance bond submitted to the State of Utah, Division of Oil, Gas and Mining, for the reclamation of the Blazon No. 1 Mine located in Carbon County, Utah, more particularly described as follows:

Township 13 South, Range 7 East, SLB&M

Section 4: SW $\frac{1}{4}$ , portions of SE $\frac{1}{4}$ , NE $\frac{1}{4}$ , NW $\frac{1}{4}$ .

The current bond is an Irrevocable Letter of Credit in the amount of \$48,400.00. Approximately twenty-one and one-half percent (21.5%) of the current bond amount, or \$10,400.00, of this bond is proposed to be released in conjunction with the completion of Phase I of the reclamation plan, as approved by DOGM.

The types of reclamation work performed and the corresponding performance and completion dates are as follows:

1. Sediment pond (repair and redesign) - (10/25/88 - 11/01/88).
2. Little Snyder Canyon drainage (design and construction) - (10/25/88 - 11/01/88).
3. Transformer road (clean, grade and seed) - (10/25/88 - 11/01/88).
4. Access road and cross culverts (clean and modify) - (10/25/88 - 11/01/88).
5. Culvert "A" Area channel (restore to 100 year/24 hour peak flow) - (10/25/88 - 11/01/88).
6. Mud Creek channel (repair) - (10/25/88 - 11/01/88).
7. Backfill and grade - (10/28/88 - 11/01/88).
8. Hydroseed - (10/25/88 - 11/01/88).
9. Plant shrubs - 5/15/89.
10. Culvert "C" (restoration) - 5/19/89.

Any written comments, objections and requests for public hearing or informal conference may be submitted to the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203. The closing date for submission of such comments, objections and requests for public hearing or conference is November 30, 1989.