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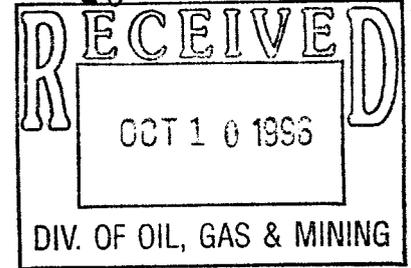


State of Utah
DEPARTMENT OF NATURAL RESOURCES

1594 West North Temple, Suite 3710
Box 145610
Salt Lake City, Utah 84114-5610
801-538-7200
801-538-7315 (Fax)
801-538-7458 (TDD)

Michael O. Leavitt
Governor
Ted Stewart
Executive Director

CC MR Mesch
MA Wright
Coal Site: Blazon/L



October 10, 1996

CERTIFIED RETURN RECEIPT REQUESTED
P 070 320 844

Mr. Steven K. Tanner
Route 1, Box 146 G-3
Helper, Utah 84526

CERTIFIED RETURN RECEIPT REQUESTED
P 070 320 845

Mr. and Mrs. Jack and Sei Otani
Star Route, Clear Creek
Box 555
Helper Utah 84526

Re: Blazon Mine, ACT/007/021, Carbon County, Utah

Dear Mr. Tanner and Mr. and Mrs. Otani:

I appreciated the opportunity to meet with you, Steve, and Representative Matthews to discuss your concerns regarding reclamation of the Blazon mine site. I am also in receipt of your letters of September 3 and October 8, 1996. Based upon input by Mr. Carter at the Division of Oil, Gas and Mining, I feel I can make an informed response to issues raised at that meeting and in your letters.

You have exhausted the administrative relief contemplated under the Utah Coal Regulatory Program, and regrettably are still unhappy with the reclamation activities proposed by the Division of Oil, Gas and Mining at the Blazon Mine. I am informed that the Board of Oil, Gas and Mining will shortly file a pleading with the District Court in Carbon County seeking court enforcement of the Board's Order of July 1, 1996, to allow division access to the mine site for the purposes of performing reclamation.



Page 2

Mr. Steve Tanner

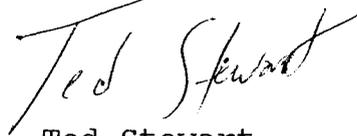
Mr. and Mrs. Jack and Sei Otani

October 10, 1996

Per your request, I am enclosing a copy of the Blazon Mine Well Abandonment Contract Specifications (summer 1993), and a copy of a July 17, 1993, file memo discussing priorities and estimated expenditures for various reclamation scenarios at Blazon. The division does not have other reclamation drawings or specifications. Given the limited amount of the forfeited bond, the division will review the balance of the forfeited monies at the conclusion of well plugging and abandonment and will re-prioritize additional reclamation activities accordingly. When future contract specifications become a matter of public record, the division will make copies available to you.

I am sorry that these matters have not progressed to your liking, but see your remedies lying with the District Court.

Sincerely,



Ted Stewart
Executive Director

Enclosures

cc: Representative Tom Matthews
Jim Carter
Patrick O'Hara
Mary Ann Wright

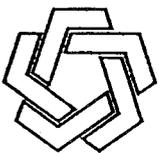
BLAZON MINE WELL ABANDONMENT

CONTRACT SPECIFICATIONS

ACT/007/021

Summer 1993

=====
CARBON COUNTY, UTAH
=====



UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Abandoned Mine Reclamation Program
Salt Lake City, Utah

Copy of

-- This is NOT a standard DFCM Specification Package --

CONTRACT SPECIFICATIONS FOR
BLAZON MINE WELL ABANDONMENT
RECLAMATION CONSTRUCTION
CARBON COUNTY, UTAH

... This is NOT a standard DFCM Specification Package ...

State of Utah

Department of Natural Resources
Division of Oil, Gas and Mining
Abandoned Mine Reclamation Program
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538 - 5340

PROJECT SUMMARY AND CHECK LIST

Sealed bids will be received by the Division of Oil, Gas & Mining, 3 Triad Center, Suite 350, Salt Lake City, for the BLAZON MINE WELL ABANDONMENT in Carbon County, Utah. Bids will be received until 5:00 pm, on Wednesday, July 6, 1994.

The WORK consists of permanent abandonment of a 4 inch diameter 180 foot deep water well located near Clear Creek, Carbon County, Utah. Details of the WORK are contained in the Specifications.

This project is a bond forfeiture site.

A MANDATORY PRE-BID MEETING WILL BE HELD FOR ALL BIDDERS ON JUNE 29, 1994. The meeting will be held at the Blazon Mine site south of the town of Clear Creek in Carbon County, Utah at 10:00 a.m. The meeting is expected to last approximately one hour.

Bidding procedures and technical questions about the project should be directed to the project manager at the Division of Oil, Gas and Mining. Contact person is:

Louis A. Amodt, Project Manager
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
(801) 538-5340 Fax: (801) 359-3940

The following is a check list of items that must be provided with the bid documents:

- Proposal
- Minority and Woman Business Enterprise Representation
- Bid Schedule
- Photocopy of current Utah Contractor's License
- Bidder's Proposed Subcontractors, Suppliers & Vendors List
(required within 24 hours *after* bid opening for apparent two lowest bidders only.)

Submittals:

- Section 0230, Part 1, 1.02, A
- Section 0250, Part 1, 1.03, A

The proposal must be delivered to the Division of Oil, Gas & Mining.

INSTRUCTIONS TO BIDDERS

1. Request for Bids

The Utah Division of Oil, Gas & Mining is accepting bids for the Blazon Mine Well Abandonment Project. The WORK consists of the permanent abandonment of a water well in Carbon County, Utah. Details of the WORK are contained in these Specifications.

2. Qualifications of Bidders

All CONTRACTORS must be currently licensed in Utah for the type of work to be done. Bidders shall submit a photocopy of their current Utah license covering the type of work to be done with their bid.

All CONTRACTORS who have previously performed WORK on a Utah Abandoned Mine Reclamation (AMR) project have been evaluated based on the Contractor Performance Rating Form (Appendix A). A rating of ten points or more is required to bid on this project.

3. Specifications

Specifications may be obtained from the Division of Oil, Gas and Mining.

4. Pre-bid Meeting

A pre-bid meeting will be held for all interested bidders on Wednesday, June 29, 1994, at 10:00 a.m. The meeting will be held at the Blazon Mine site just south of the town of Clear Creek in Carbon County, Utah. The meeting will consist of a short site visit to view site access and well location. The pre-bid meeting is expected to last approximately one hour.

DUE TO THE NATURE OF THE WORK IN THIS PROJECT, CONTRACTORS ARE REQUIRED TO ATTEND THE PRE-BID MEETING.

5. Proposals

Before submitting a proposal, each bidder shall carefully examine the specifications and other contract documents; shall visit the site of the WORK; shall fully inform himself or herself as to all existing conditions and limitations; and shall include in the proposal the cost of all items included in the CONTRACT. CONTRACTOR shall fill out all blanks and include all forms and submittals, or be subject to having the bid disqualified.

The pages required for bidding are included in the specifications. The bidder should submit the Proposal, Minority and Woman Business Enterprise Representation, Bid Schedule, photocopy of contractor's license, and required submittals in the sealed bid.

Deliver proposals to the Division of Oil, Gas & Mining.

6. Contract

The contract agreement will be on a warrant request from the Division of Oil, Gas & Mining.

7. Listing of Subcontractors

The experience and responsibility of Subcontractors may have bearing on the selection of a CONTRACTOR by the OWNER.

points or more on the Contractor Performance Rating Form (Appendix A) is required for any CONTRACTOR who has previously performed WORK on an AMR project. The CONTRACTOR shall comply with and require all of his or her Subcontractors to comply with the license laws as required by the State of Utah.

13. Cost Breakdown

The CONTRACTOR shall, before starting WORK, submit to OWNER a cost breakdown showing the cost of various segments of the WORK according to a specification heading, the total amount equaling the CONTRACT price. This breakdown shall be used as the basis for the payment of estimates as stated in the contract documents. Unit prices shown on the cost breakdown for Phase I of the project will be used for similar for additional sites which may be added under Phase II of the Project.

14. Right to Reject Proposals

The OWNER reserves the right to reject any or all proposals.

15. Time is Essence and Award of CONTRACT

Time is of the essence in award of the CONTRACT.

16. Withdrawal of Bids

Bids may be withdrawn upon written or telegraphic request received from bidders prior to the time fixed for opening. Telegraphic request must be received by OWNER in written form before bid opening. Negligence on the part of the bidder in preparing the bid confers no right for the withdrawal of the bid after it has been opened.

PROPOSAL

NAME OF BIDDER _____ DATE _____

TO THE DIVISION OF OIL, GAS & MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY UTAH 84180

Gentlemen:

The undersigned, in compliance with your invitation for bids for the

BLAZON MINE WELL ABANDONMENT RECLAMATION CONSTRUCTION

having examined the Specifications, related documents, and the site of the proposed work and being familiar with all of the conditions surrounding the construction of the proposed project, including the availability of labor, hereby propose to furnish all labor, materials, and supplies as required for the WORK in accordance with the CONTRACT documents as specified and within the time set forth and at the price stated below. This price is to cover all expenses incurred in performing the WORK required under the CONTRACT Documents of which this Proposal is a part. Negotiation of BID PRICE shall be completed with the OWNER prior to final execution of the CONTRACT.

I/We acknowledge receipt of the following addenda: _____

For all WORK described in the Specifications, I/we agree to perform for the sum of:

_____ DOLLARS (\$ _____)
(In case of discrepancy, written amount shall govern)

For your consideration, we further propose the following ALTERNATIVES for the following total amounts to be added/deducted to/from the above bid amount:

_____ Add \$ _____ Deduct \$ _____

I/We guarantee to complete the WORK within 20 calendar days after receipt of Notice to Proceed, should I/we be the successful bidder.

For your consideration I/we propose an alternative amount of time to complete the WORK after Notice to Proceed, should I/we be the successful bidder. Such an extension allows the following total amount to be deducted from the bid amount:

Alternative: _____ Total Calendar Days Deduct \$ _____

This bid shall be good for 45 days after bid opening.

Enclosed is _____, as required, in the sum of \$ _____
(Bond or Check)

BIDDER'S PROPOSED SUBCONTRACTORS, SUPPLIERS & VENDORS LIST

BLAZON MINE WELL ABANDONMENT

ACT/007/021

Utah Division of Oil, Gas & Mining

In conformance with Section 63-10-26, UCA, we submit the following list of subcontractors, suppliers and vendors for OWNER approval. We recognize this list as binding on us, and acknowledge OWNER'S right to reject any or all subcontractors, suppliers or vendors listed or unlisted which the OWNER feels are unqualified to do the work.

| SUBCONTRACTOR | CONTRACT AMOUNT | STATE CONTRACTOR'S LICENSE NO. | LICENSE LIMIT |
|---------------|-----------------|--------------------------------|---------------|
| Excavation: | | | |
| Concrete: | | | |
| Masonry: | | | |
| Demolition: | | | |
| Fabrication: | | | |
| Revegetation: | | | |
| Other: | | | |
| | | | |
| | | | |

| SUPPLIER/VENDOR | AMOUNT | PRODUCT |
|-----------------|--------|---------|
| | | |
| | | |
| | | |
| | | |
| | | |

MINORITY AND WOMAN BUSINESS ENTERPRISE REPRESENTATION

The offeror represents that it is is not a minority business enterprise.

A minority business enterprise is defined as a concern that:

- 1) is at least 51 percent owned by one or more individuals who are socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock owned by one or more individuals who are socially and economically disadvantaged individuals; and
- 2) has its management and daily business controlled by one or more such individuals.

Qualified groups. The offeror shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic American, Native Americans, Asian-Pacific American, Asian-Indian Americans, and other individuals found to be qualified by the Small Business Administration under 13 CFR 124.1.

The offeror represents that it is is not a woman business enterprise.

A woman business enterprise is defined as a concern that:

- 1) is at least 51 percent owned by one or more women, or a publicly owned business having at least 51 percent of its stock owned by one or more women; and
- 2) has its management and daily business controlled by one or more of the women owners.

Business firms which are 51 percent owned by minorities or women, but are in fact managed and operated by non-minority individuals do not qualify as minority or woman business enterprises.

The offeror represents that the following proposed subcontractor(s) is (are) a minority or woman business enterprise:

Signature of Offeror

Title

Date

This information is requested for Federal reporting purposes only. Minority/woman status has no bearing on the selection of a contractor.

BLAZON MINE WELL ABANDONMENT
SUMMARY BID SHEET

| <u>Mine Area</u> | <u>Lump Sum Amount</u> |
|-----------------------------|------------------------|
| BLAZON MINE | \$ _____ |
| MOBILIZATION/DEMOBILIZATION | \$ _____ |
| BONDS & INSURANCE | \$ _____ |
| TOTAL CONTRACT BID PRICE | \$ _____ |

TOTAL CONTRACT BID PRICE WRITTEN:

DATE: _____

BY: _____

FIRM: _____

BID SCHEDULE
BLAZON MINE

| Reclamation Action Item Site No. and Name | Specification Section | Number of Sites/Tag # | Estimated Quantity | Lump Sum Amount(\$) | Additional Quantity Unit Price (\$/Unit) |
|---|--------------------------|--------------------------|-----------------------|------------------------|---|
| 1. Site Access & Improvements | 0230 | 1 | n/a | \$ _____ | n/a |
| 2. Well Abandonment | 0250 | | | | |
| a) Abandonment | | | | | |
| 1 Water Well Abandonment | | N/A | 180 ft | \$ _____ | \$ ____/ft |
| Total Bid for Blazon Mine site | | | | \$ _____ | |

NOTE: Award of CONTRACT will be based on consideration of both the base BID PRICE and the unit prices for ADDITIONAL WORK.

CERTIFICATE OF SUBSTANTIAL COMPLETION

UTAH DIVISION OF OIL, GAS AND MINING

PROJECT BLAZON MINE WELL ABANDONMENT

PROJECT NO. ACT/007/021

CONTRACT NO. _____

The WORK performed under the subject CONTRACT has been reviewed on this date and found to be substantially completed.

DEFINITION OF SUBSTANTIAL COMPLETION

The date of substantial completion of a project or specified area of a project is the date when the construction is sufficiently completed in accordance with the Contract Documents, as modified by any change orders agreed to by the parties, so that the OWNER can occupy the project or specified area of the project for the use for which it was intended.

A list of items to be completed or corrected, prepared by the Division of Oil, Gas & Mining and verified by the OWNER, is appended hereto. This list may not be exhaustive, and the failure to include an item on it does not alter the responsibility of the CONTRACTOR to complete all the WORK in accordance with the Contract Documents, including authorized changes thereof.

Division of Oil, Gas & Mining

CONTRACT REPRESENTATIVE

DATE

The CONTRACTOR will complete or correct the work on the list of items appended hereto within _____ days from the above date of issuance of this Certificate.

CONTRACTOR

AUTHORIZED REPRESENTATIVE

DATE

The OWNER accepts the project or specified area of the project as substantially complete and will assume full possession of the project or specified area of the project at _____ (time) on _____ (date).

Division of Oil, Gas & Mining

OWNER

CONTRACT REPRESENTATIVE

DATE

ADMINISTRATOR, AMR

DATE

RESPONSIBILITIES AND/OR EXCEPTIONS:

GENERAL CONDITIONS FOR ABANDONED MINE RECLAMATION PROJECTS

June 1988

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77. Compliance with Copeland Regulations
78. Overtime Compensation
79. Clean Air and Water

to the OWNER, upon request, at the completion of the WORK.

8. Shop Drawings/As Built Drawings:

The CONTRACTOR shall submit to the OWNER, with such promptness as to cause no delay in his/her WORK or in that of any other CONTRACTOR, six copies of all shop/as built drawings or setting drawings and schedules required for the WORK of the various trades and the OWNER shall pass upon them with reasonable promptness, making desired corrections. Said corrections shall pertain to conformance with the basic design concepts embodied in the CONTRACT documents. The CONTRACTOR shall make any corrections required by the OWNER. The OWNER shall distribute the corrected drawings as follows: Two drawings to the OWNER; three drawings back to the general CONTRACTOR; and one drawing to the project inspector (if one is assigned to the job). The OWNER's approval of such drawings or schedules shall not relieve the CONTRACTOR from responsibility for deviations from drawings or specifications, unless he/she has in writing called the OWNER's attention to such deviations at the time of submission, and has received the OWNER's written approval of such deviation; nor shall it relieve him/her from responsibility for errors of any sort in shop/as built drawings or schedules.

9. Samples:

The CONTRACTOR shall furnish to the OWNER for approval, all samples as directed. The WORK shall be in accordance with approved samples.

10. Materials, Appliances, Employees:

Unless otherwise stipulated, the CONTRACTOR shall provide and pay for all materials, labor, water, tools, equipment, light, power, transportation, and other facilities and services necessary for the execution and completion of the WORK.

Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of high quality. The CONTRACTOR shall, if required, furnish satisfactory evidence as to the kind and quality of materials.

The CONTRACTOR shall at all times enforce strict discipline and order among his/her employees, and shall not employ on the WORK any unfit person or anyone not skilled in the work assigned to him/her.

11. Royalties and Patents:

The CONTRACTOR shall pay all royalties and license fees. He/she shall defend all suits or claims for infringement of any patent rights and shall save the OWNER harmless from loss on account thereof.

12. Surveys, Permits and Regulations:

The OWNER shall furnish surveys necessary to establish site boundaries and existing topography. The OWNER shall provide those surveys necessary for laying out the WORK.

The CONTRACTOR shall give all notices and comply with all applicable laws, ordinances, rules and regulations bearing on the conduct of the WORK as drawn and specified. If the CONTRACTOR observes that the drawings and specifications are at variance therewith, he/she shall promptly notify the OWNER in writing, and any necessary changes shall be adjusted as provided in the contract for changes in the WORK. If the CONTRACTOR performs any work knowing it to be contrary to such laws, ordinances, rules and regulations and without such notice to the OWNER, he/she shall bear all costs arising therefrom.

Inasmuch as the WORK under this contract will be performed for the State of Utah, it will not be necessary to take out local building permits, electrical permits and plumbing permits, nor will it be necessary to pay fees for inspections pertaining thereto; however, it will be necessary to obtain a permit from the city, county, and or Department of Transportation having jurisdiction whenever the WORK involves their property. The CONTRACTOR shall cooperate as necessary with these jurisdictions to comply with all their requirements, which may include a bond and permit fee.

Fees for connection to utilities such as water and power must be borne by the CONTRACTOR.

13. Protection of Work and Property:

The CONTRACTOR shall continuously maintain adequate protection of all his/her WORK from damage and shall protect the OWNER's property from injury or loss arising in connection with this CONTRACT. CONTRACTOR shall make good any such damage, injury, or loss, except such as may be directly due to errors in the CONTRACT documents or caused by agents or employees of the OWNER. CONTRACTOR shall adequately protect adjacent property as provided by law and the CONTRACT documents.

The CONTRACTOR shall take all necessary precautions for the safety of employees on the WORK and shall comply with all applicable provisions of federal, state and municipal safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent to the premises where the WORK is being performed. CONTRACTOR shall erect and properly maintain at all times, as required by the conditions and progress of the WORK, all necessary safeguards for the protection of workers and the public and shall post danger signs warning against hazardous conditions.

14. Inspection of Work:

The OWNER and the representatives thereof and authorized federal government inspectors shall at all times have access to the WORK, and the

did not have such knowledge prior to the commencement of the WORK; or

- (c) Such further time as may be allowed by the OWNER in writing.

This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The OWNER, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the OWNER.

- (2) The notice required by Subparagraph (A)(1) of this paragraph describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and
- (3) The CONTRACTOR maintains and, upon request, makes available to the OWNER within a reasonable time, detailed records to the extent practicable, of the claimed additional costs or basis for an extension of time in connection with such changes.

18. Deductions for Uncorrected Work:

If the OWNER deems it inexpedient to correct WORK damaged or done not in accordance with the CONTRACT, an equitable deduction from the CONTRACT price shall be made therefor.

19. Delays and Extension of Time:

If the CONTRACTOR is significantly delayed at any time in the progress of the WORK by any act or neglect of the OWNER, or of any employee of either, or by any separate CONTRACTOR employed by the OWNER, or by significant changes ordered in the WORK or by strikes, lockouts, fire, unavoidable casualties or any causes beyond the CONTRACTOR's control, or by any cause which the OWNER shall decide justifies the delay, then the time of completion shall be extended for such reasonable time as the OWNER may decide. No action shall lie against the OWNER for damages or other claims due to losses attributable to hindrances or delays from any cause whatsoever, including acts and omissions of the OWNER or its agents; however, the CONTRACTOR may receive an extension of time in which to complete the WORK under this CONTRACT as provided above. The right to apply for such an extension of time shall be the exclusive remedy available to the CONTRACTOR or any Subcontractor as against the OWNER for such loss.

Any request for extension of time shall be made to the OWNER in writing within seven (7) days from the time of occurrence of cause for delay. In case of a continuing cause of delay, only one claim is necessary.

20. Correction of WORK Before Final Payment:

The CONTRACTOR shall promptly remove from the premises all WORK condemned by the OWNER as failing to conform to the CONTRACT, whether incorporated or not, and the CONTRACTOR shall promptly replace and reexecute his/her own WORK in accordance with the CONTRACT and without expense to the State of Utah and shall bear the expense of making good all WORK of other CONTRACTORS destroyed or damaged by such removal or replacement.

If the CONTRACTOR does not remove such condemned WORK within a reasonable time, fixed by written notice, the OWNER may have the materials removed and stored at the expense of the CONTRACTOR.

21. Correction of WORK After Final Payment:

Neither the final certificate of payment nor any provision in the CONTRACT documents nor partial or entire occupancy of the premises by the OWNER shall constitute an acceptance of WORK not done in accordance with the CONTRACT documents or relieve the CONTRACTOR of liability in respect to any express warranties or responsibility for faulty materials or workmanship. The CONTRACTOR shall remedy any defects in the WORK and pay for any damage to other WORK resulting therefrom which shall appear within a period of one year from the date of substantial completion of the WORK, unless a longer period is specified. The OWNER will give notice of observed defects with reasonable promptness.

22. Termination for Default Clause:

A. The OWNER may, subject to the provisions of Paragraph (C) below, by written notice of default to the CONTRACTOR, terminate the whole or any part of this CONTRACT in any one of the following circumstances:

- (1) If the CONTRACTOR fails to perform this CONTRACT within the time specified herein or any extension thereof; or
- (2) If the CONTRACTOR fails to perform any of the other provisions of this CONTRACT, or so fails to make progress as to endanger performance of this CONTRACT in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of five (5) days (or such longer period as the OWNER may authorize in writing) after receipt of notice from the OWNER specifying such failure.

B. In the event the OWNER terminates this CONTRACT in whole or in part as provided in Paragraph (A) of this clause, the OWNER may procure, upon such terms and in such manner as the OWNER may deem appropriate, supplies or services similar to those so terminated, and the CONTRACTOR shall be liable to the OWNER for any excess costs for such similar supplies or services;

CONTRACTOR that proportionate parts of such payments as are made to the CONTRACTOR for completed WORK of Subcontractors and/or suppliers will be transmitted to such Subcontractors and/or suppliers in the form of payments for completed WORK within ten (10) days after receipt of such payments by the CONTRACTOR. The submittal of an application by a CONTRACTOR for a progress payment shall constitute prima facie representation by that CONTRACTOR that all previous proportionate payments made by the OWNER to the CONTRACTOR for completed WORK of Subcontractors and/or suppliers have been transmitted to all appropriate Subcontractors and/or suppliers for their completed WORK within ten (10) days after receipt of respective payments.

For projects in excess of \$100,000, the CONTRACTOR may request retainage to be paid to an escrow agent for interest to accrue to the CONTRACTOR's benefit. See OWNER for forms and more information.

24. OWNER's Right to Withhold Certain Amounts and Make Application Thereof:

The OWNER may withhold from payment to the CONTRACTOR such an amount or amounts as, in its judgment, may be necessary to pay just claims against the CONTRACTOR or any Subcontractor for labor and services rendered and materials furnished in and about the WORK. The OWNER may apply such withheld amounts on the payment of such claims in its discretion. In so doing, the OWNER shall be deemed the agent of the CONTRACTOR and payments so made by the OWNER shall be considered as a payment made under the CONTRACT by the OWNER to the CONTRACTOR and the OWNER shall not be liable to the CONTRACTOR for any such payments in good faith made. Such payments may be made without prior determination of the claim or claims.

Neither the final certificate of payment nor any provision in the CONTRACT documents, nor partial or entire occupancy of the premises by the OWNER shall constitute an acceptance of WORK not done in accordance with the contract documents or relieve the CONTRACTOR of liability in respect to any express warranties or responsibility for faulty materials or workmanship. The CONTRACTOR shall remedy any defects in the WORK and pay for any damage to other WORK resulting therefrom, which shall appear within a period of one year from the date of the certificate of substantial completion of the WORK, unless a longer period is specified. The OWNER will give notice of observed defects with reasonable promptness.

25. Liability Insurance:

To protect against liability, loss, or expense arising from damage to property or injury or death of any person or persons incurred in any way out of, in connection with or resulting from the WORK provided hereunder, CONTRACTOR shall obtain at its own expense from reliable insurance companies acceptable to OWNER's

Risk Manager and authorized to do business in the state in which the work is to be performed, and shall maintain in full force during the entire period of this contract the following or equivalent insurance:

- (a) Workers' Compensation Insurance and Employers' Liability Insurance providing statutory benefits.
- (b) Comprehensive General Liability Insurance, including premises-operations; explosion; collapse and underground hazards; products and completed operation hazards; blanket contractual; broad form property damage; independent CONTRACTORS; and personal injury including employees with limits not less than \$1,000,000 combined single limit per occurrence.
- (c) Comprehensive Automobile Liability Insurance including owned, hired and non-owned automobiles with limits not less than \$1,000,000 combined single limit per occurrence.
- (d) CONTRACTOR using its own aircraft, or employing aircraft in connection with the WORK performed under this contract shall maintain Bodily Injury and Property Damage Liability coverage with a combined single limit of not less than \$1,000,000 per occurrence.

Any policy required by this section may be arranged under a single policy for the full limit required, or by a combination of underlying policies with the balance provided by an Excess or Umbrella Liability policy.

OWNER may accept equivalent self-insured programs in lieu of insurance upon specific approval of OWNER's Risk Manager.

Irrespective of the requirements as to insurance to be carried by CONTRACTOR as provided herein, insolvency, bankruptcy or failure of any insurance company to pay all claims accruing, shall not be held to relieve CONTRACTOR of any obligations hereunder.

The State of Utah and all Institutions, Agencies, Departments, Authorities and Instrumentalities of the State of Utah, and while acting within the scope of their duties as such: any member of their governing bodies, or of their boards, commissions, or advisory committees, or any of their elected or appointed officials, or any of their employees or authorized volunteers shall be listed as additional insureds under each of the policies required to be purchased and maintained by CONTRACTOR, with the exception of Workers' Compensation. Each policy so required shall be primary to the aforesaid additional insureds listed above, and shall apply to the full policy limits prior to any other insurance coverage which the aforesaid additional insureds may have in the event of claim under any of said policies, but, only with respect to WORK being performed by CONTRACTOR on behalf of the aforesaid additional insureds.

equipment, supplies, materials and/or labor furnished by CONTRACTOR or its Subcontractors under this agreement; from all labor and/or mechanic or materialmen liens upon the real property upon which the work is located arising in favor of laborers and/or materialmen, Subcontractors and suppliers, out of services, equipment, supplies, materials and/or labor furnished by CONTRACTOR or any of his/her Subcontractors from all liens, claims and encumbrances arising from the performance of CONTRACTOR or his/her Subcontractors.

28. Guarantee Bonds:

The CONTRACTOR shall include in his/her bid, as part of the quoted total, all costs involved in securing and furnishing the following bonds based on the completed cost of the CONTRACT:

- (a) A full 100% performance bond covering the faithful execution of the CONTRACT; and
- (b) A full 100% payment bond of all obligations arising thereunder.

29. Liens:

Neither the final payment nor any part of the retained percentage shall become due until the CONTRACTOR, if required, shall deliver to the OWNER a complete release of all liens arising out of this CONTRACT, or receipts in full in lieu thereof, and, if required in either case, an affidavit that so far as CONTRACTOR has knowledge or information the releases and receipts include all the labor and materials for which a lien could be filed, but the CONTRACTOR may, if any Subcontractor refuses to furnish a release or receipt in full, furnish a bond satisfactory to the OWNER to indemnify him/her against any lien. If any lien remain unsatisfied after all payments are made, the CONTRACTOR shall refund to the OWNER all moneys that the latter may be compelled to pay in discharging such a lien, including all costs and a reasonable attorney's fee.

30. Assignment:

The CONTRACTOR shall not assign the CONTRACT or sublet it as a whole without the written consent of the OWNER, nor shall the CONTRACTOR assign any moneys due or to become due to CONTRACTOR hereunder, without the previous written consent of the OWNER.

31. Mutual Responsibility of Contractors:

Should the CONTRACTOR cause damage to any separate CONTRACTOR on the WORK, the CONTRACTOR agrees, upon due notice, to settle with such CONTRACTOR by agreement or arbitration, if he/she will so settle. If such separate CONTRACTOR sues the OWNER on account of any damage alleged to have been so sustained, the OWNER shall notify the CONTRACTOR, who shall defend such proceedings at

his/her own expense, and if any judgment against the OWNER arises therefrom, the CONTRACTOR shall pay or satisfy it in its entirety.

32. Separate Contracts:

The OWNER reserves the right to let other CONTRACTS in connection with this WORK. The CONTRACTOR shall afford other CONTRACTORS reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate his/her WORK with theirs.

If any part of the CONTRACTOR's WORK depends for proper execution or results upon the WORK of any other CONTRACTOR, the CONTRACTOR shall inspect and promptly report to the OWNER any defects in such WORK that render it unsuitable for such proper execution and results. His/her failure so to inspect and report shall constitute an acceptance of the other CONTRACTOR's work as fit and proper for the reception of his/her work, except as to defects which may develop in the other CONTRACTOR's WORK after the execution of his/her WORK. To insure the proper execution of his/her subsequent WORK, the CONTRACTOR shall measure WORK already in place and shall at once report to the OWNER any discrepancy between the executed WORK and the drawings.

33. Subcontractors:

The two apparent low bidders shall furnish to the OWNER, within twenty-four (24) hours after the opening of bids, a list of the Subcontractors by name and amounts where Subcontractors' bids are in excess of \$5,000 and shall not employ any that the OWNER may, within a reasonable time, object to as incompetent or unfit. Bidders shall not list themselves or "self" under any category as Subcontractor unless the bidder intends to perform as the Subcontractor for which he/she lists "self," and unless he/she generally and regularly performs that type of subcontract WORK. The OWNER shall, on request, furnish to any Subcontractor, wherever practicable, evidence of the amounts certified on this account.

The CONTRACTOR agrees that CONTRACTOR is as fully responsible to the OWNER for the acts and omissions of his Subcontractors and of persons either directly or indirectly employed by them, as he/she is for the acts and omissions of persons directly employed by CONTRACTOR.

Nothing contained in the CONTRACT documents shall create any contractual relation between any Subcontractor or supplier and the OWNER.

34. Relations of CONTRACTOR and Subcontractor:

The CONTRACTOR agrees to bind every Subcontractor and every Subcontractor agrees to be bound by the terms of the agreement, the general conditions, and the drawings and specifications as far as

the BID PRICE either up or down as indicated on the supplementary list by change order after award.

43. Laying Out WORK:

The CONTRACTOR shall be held strictly responsible for the accuracy of the laying out of his/her WORK and for its strict conformity with the existing conditions of the building and shall determine all changes and chases and openings before WORK is commenced.

44. Emergencies:

In an emergency affecting the safety of life, or of the structure or of adjoining property, then the CONTRACTOR, without special instruction or authorization from the OWNER, shall act at his/her discretion to prevent such threatened loss or injury. Any compensation claimed to be due him/her therefrom shall be determined as provided for under Article 17, "Changes."

45. Testing of Materials:

In case the CONTRACT REPRESENTATIVE direct that any materials be tested or analyzed, then the CONTRACTOR shall furnish a sample for the test, such sample being selected according to the directions of the CONTRACT REPRESENTATIVE. The cost of testing or analysis of such sample or samples shall be borne by the manufacturer or supplier of the product. This provision shall not apply to the testing of concrete. The cost of testing shall be borne by the OWNER.

46. Temporary Enclosing, Drying Out, Etc.:

If applicable when openings are made in exterior walls, the CONTRACTOR shall, if required by the OWNER on account of weather or security conditions, close up all exterior openings (except one or more which are to be provided with battened doors, padlocks, etc.) with temporary frames covered with approved material.

The CONTRACTOR must, at all times, protect the building from damage from weather, surface water or subsoil drainage. He/she must keep the excavations dry, if necessary, by pumping, while concrete or masonry is being laid.

47. Examination of Site:

The CONTRACTOR shall visit the site and examine for himself/herself the site conditions. He/she shall furnish all labor and materials necessary for preparation of the site for the execution of this CONTRACT.

48. Storage and Care of Materials:

The CONTRACTOR shall provide, maintain and remove when directed, suitable, substantial, watertight storage sheds upon the premises where directed, in which he/her shall store his/her materials. All cement, lime and other materials affected by moisture shall be

covered and protected to keep from damage while it is being transported to the site.

49. Construction Risks:

The construction and all materials and WORK connected therewith shall be at the CONTRACTOR'S risk until they are accepted, and he/she will be held responsible for and liable for their safety in the amount paid to him/her by the OWNER on account thereof.

50. Temporary Appurtenances and Conveniences:

The CONTRACTOR shall provide well-fastened ladders and other means to facilitate inspection of the work.

51. Scaffolding, Tools, Etc.:

The CONTRACTOR shall provide and erect all the necessary platforms, scaffolds and supports of ample strength required for the handling of the materials and other loading to be imposed. The same shall apply to all derricks and hoisting machinery, all appliances and materials, ladders, horses, poles, plants, ropes, wedges, centers, moulds, and other tools and materials, and the cartage thereof to and from the site as may become necessary for the performance of his/her contract.

52. Sanitary Provisions:

The CONTRACTOR shall provide a chemical toilet for his workers' use. The CONTRACTOR shall keep the toilet clean, neat and in first-class condition at all times.

53. Refuse:

Refuse barrels are to be provided by the CONTRACTOR for the workers' lunch boxes and papers.

54. Removing Water:

The CONTRACTOR shall remove, at his/her expense from all excavations and/or from the site, all unwanted water appearing from any cause during any stage of the WORK until the site is accepted by the OWNER. All excavations shall be free from water before any concreting or other WORK is done in them.

55. Taxes:

The CONTRACTOR shall include in his/her BID PRICE the cost of social security, unemployment compensation, and sales and use taxes as required by federal and state laws.

56. Citizens Preferred:

Preference shall be given in hiring citizens of the United States or those having declared their intention of becoming citizens; failure to comply may result in the OWNER declaring the contract void.

57. Code Requirements:

63. **Balancing and Testing:**

It is the intent of this specification that the site, when presented to the OWNER for final acceptance, be complete and operable in all respects, including, but not limited to, mechanical, utilities, and other systems which are tuned, tested, and balanced to the satisfaction of the OWNER, or his/her appropriate engineers and consultants. Any and all testing and balancing necessary shall be done as part of the CONTRACT with the state.

During, or in connection with the inspection of the WORK, the CONTRACTOR or his/her appropriate Subcontractor(s) shall perform such tests and/or demonstrations of the operation of the systems, or its components, as may be requested by the OWNER, or his/her appropriate engineers and consultants, as necessary to adequately determine the acceptability of the installation.

64. **Substantial Completion:**

The OWNER will conduct inspections to determine the dates of substantial completion and final payment, will receive written guarantees and related documents required by the CONTRACT and assembled by the CONTRACTOR and submit these to the OWNER, and will issue a final certificate for payment.

The date of substantial completion of the WORK or designated portion thereof is the date certified by the OWNER when construction is sufficiently complete in accordance with the CONTRACT documents so the OWNER may occupy the site or designated portion thereof for the use for which it is intended. When the CONTRACTOR determines that the WORK, or a designated portion thereof acceptable to the OWNER, is substantially complete, the OWNER shall prepare a list of items to be completed or corrected. The failure to include any item on such list does not alter the responsibility of the CONTRACTOR to complete all WORK in accordance with the contract documents. When the OWNER, on the basis of an inspection, determines that this WORK is substantially complete, the CONTRACT REPRESENTATIVE then will prepare a Certificate of Substantial Completion which shall establish the date of substantial completion; shall state the responsibilities of the OWNER and the CONTRACTOR for maintenance, heat, utilities and insurance; and shall fix the time within which the CONTRACTOR shall complete the items listed therein, said time to be within the CONTRACT time unless extended pursuant to Article, "Delays and Extension of Time." The certificate of substantial completion shall be submitted to the OWNER and the CONTRACTOR for their written acceptance of the responsibilities assigned to them in such certificate. A sample form of the certificate of substantial completion is included in the specifications.

If within one year after the date of substantial completion or within such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the CONTRACT

documents, any of the WORK is found to be defective or not in accordance with the CONTRACT documents, the CONTRACTOR shall correct it promptly after receipt of written notice from the OWNER to do so unless the OWNER has previously given the CONTRACTOR a written acceptance of such condition. The OWNER shall give such notice promptly after discovery of the condition.

65. **Other Prohibited Interests:**

No official of the OWNER who is authorized in such capacity and on behalf of the OWNER to negotiate, make, accept or approve, or to take part in negotiating, making, accepting, or approving any architectural engineering, inspection, construction or material supply contract or any subcontract in connection with the construction of the project, shall become directly interested personally in the contract or in any part hereof.

No officer, employee, attorney, engineer or inspector of or for the OWNER who is authorized in such capacity and on behalf of the OWNER to exercise any legislative, executive, supervisory or other similar functions in connection with the construction of the project shall become directly or indirectly interested personally in this contract or in any part thereof, any material supply contract, subcontract, insurance contract, or any other contract pertaining to the project.

66. **Conflicting Conditions:**

Any provision in any of the CONTRACT documents which may be in conflict or inconsistent with any of the paragraphs in these general conditions shall be void to the extent of such conflict or inconsistency. In the event of conflicts of plans and specifications, the CONTRACTOR shall follow the most stringent requirements as approved by the OWNER.

67. **Monthly Progress Meetings:**

Monthly progress meetings may be held at the discretion of the OWNER or the general CONTRACTOR, at which time the Subcontractors and/or suppliers will be required to be present.

68. **Suspension of WORK:**

A. Suspension of WORK for the Convenience of the Owner. The OWNER may order the CONTRACTOR in writing to suspend, delay or interrupt all or any part of the WORK for such period of time as the OWNER may determine to be appropriate for the convenience of the OWNER.

B. Adjustment of Cost. If the performance of all or any part of the work is suspended, delayed or interrupted by an act or failure to act of the OWNER for an unreasonable period of time, an equitable adjustment in the CONTRACT price shall be made for any increase in the cost of performance of this CONTRACT necessarily caused by such

- (5) In the absence of agreement between the parties, by a unilateral determination by the OWNER of the costs attributable to the applicable event or situation, plus appropriate profit or fee, all as computed by the OWNER, subject to the CONTRACTOR's legal and contractual remedies.

B. Submission of Cost or Pricing Data. The CONTRACTOR shall submit certified cost or pricing data for any price adjustments, except where they are based upon established catalog prices or market prices, or upon adequate price competition or are set by law or regulation. Any price adjustments allowable hereunder shall exclude sums found by the OWNER to have resulted from any cost or pricing data furnished by the CONTRACTOR which were inaccurate, incomplete or not current as of the date of their submission to the OWNER.

7L. Termination for Convenience of the Owner:

A. The performance of WORK under this contract may be terminated by the OWNER in accordance with this clause in whole, or from time to time, in part, whenever the OWNER shall determine that such termination is in the best interest of the OWNER or any person for whom the OWNER is acting under this CONTRACT. Any such termination shall be effected by delivery to the CONTRACTOR of a notice of termination specifying the extent to which performance of WORK under the contract is terminated, and the date upon which such termination becomes effective.

No termination may be effected unless the CONTRACTOR is given (1) not less than ten calendar days written notice (delivered by certified mail, return receipt requested), and (2) an opportunity for consultation with the OWNER prior to termination.

B. After receipt of a notice of termination, and except as otherwise directed by the OWNER, the CONTRACTOR shall:

- (1) Stop WORK under the CONTRACT on the date and to the extent specified in the notice of termination;
- (2) Place no further orders or subcontracts for materials, services or facilities, except as may be necessary for completion of such portion of the WORK under the CONTRACT as is not terminated;
- (3) Terminate all orders and subcontracts to the extent that they relate to performance of WORK terminated by the notice of termination;
- (4) Assign to the OWNER in the manner, at the times, and to the extent directed by the OWNER, all of the right, title, and interest of

the CONTRACTOR under the orders and subcontracts so terminated, in which case the OWNER shall have the right, in his/her discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

- (5) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the OWNER, which approval or ratification shall be final for all the purposes of this clause:
- (6) Transfer title and deliver to the OWNER in the manner, at the times, and to the extent, if any, directed by the OWNER:
 - (a) The fabricated or unfabricated parts, WORK in process, completed WORK, supplies, and other material produced as a part of, or acquired in connection with the performance of the WORK terminated by the notice of termination; and
 - (b) The completed or partially completed plans, drawings, information, and other property which, if the CONTRACT had been completed, would have been required to be furnished to the OWNER;
- (7) Use his/her best efforts to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorized by the OWNER, any property of the types referred to in (6) above; provided, however, that the CONTRACTOR:
 - (a) Shall not be required to extend credit to any purchaser; and
 - (b) May acquire any such property under the conditions prescribed by and at a price or prices approved by the OWNER; and provided further that the proceeds of any such transfer of disposition shall be applied in reduction of any payments to be made by the OWNER to the CONTRACTOR under this CONTRACT or shall otherwise be credited to the price or cost of the work covered by this CONTRACT or paid in such other manner as the OWNER may direct;
- (8) Complete performance of such part of the WORK as shall not have been terminated by the notice of termination; and
- (9) Take such action as may be necessary, or as the OWNER may direct, for the protection and preservation of the property related to this contract which is in the possession of the CONTRACTOR in which the OWNER has or may acquire an interest.

provisions of this clause, and not otherwise recovered by or credited to the OWNER.

- G. If the termination hereunder be partial, the CONTRACTOR may file with the OWNER a claim for an equitable adjustment of the price or prices specified in the CONTRACT relating to the continued portion of the CONTRACT (the portion not terminated by the notice of termination), and such equitable adjustment as may be agreed upon shall be made in such price or prices. Any claim by the CONTRACTOR for an equitable adjustment under this clause must be asserted within sixty (60) days from the effective date of the notice of termination, unless an extension is granted in writing by the OWNER.
- H. The OWNER may, from time to time, under such terms and conditions as he may prescribe, make partial payments and payments on account against costs incurred by the CONTRACTOR in connection with the terminated portion of this CONTRACT whenever, in the opinion of the OWNER the aggregate of such payments shall be within the amount to which the CONTRACTOR will be entitled hereunder. If the total of such payments is in excess of the amount finally agreed or determined to be due under this clause, such excess shall be payable by the CONTRACTOR to the OWNER upon demand, together with interest at a rate equal to the average rate at the time being received from the investment of state funds, as determined by the State Treasurer, for the period from the date such excess is repaid to the OWNER; provided, however, that no interest shall be charged with respect to any such excess payment attributable to a reduction in the CONTRACTOR's claim by reason of retention or other disposition of termination inventory until ten (10) days after the date of such retention or disposition, or such later date as determined by the OWNER by reason of the circumstances.
- I. Unless otherwise provided for in this contract, or by applicable statute, the CONTRACTOR shall - from the effective date of termination until the expiration of three years after final settlement under this CONTRACT - preserve and make available to the OWNER at all reasonable times at the office of the CONTRACTOR, but without direct charge to the OWNER, all books, records, documents and other evidence bearing on the costs and expenses of the CONTRACTOR under this CONTRACT and relating to the work terminated hereunder, or, to the extent approved by the contracting officer, photographs, micrographs, or other authentic reproductions thereof.

72. Liquidated Damages:

The CONTRACTOR is referred to Article 13 of the contract for conditions of liquidated damages.

73. Termination for Breach, Etc.:

If the CONTRACTOR shall be adjudged bankrupt, or if CONTRACTOR should make a general assignment for the benefit of his/her creditors, or if a receiver should be appointed on account of CONTRACTOR's insolvency, or if CONTRACTOR or any of his/her Subcontractors should violate any of the provisions of this CONTRACT, the OWNER may serve written notice upon CONTRACTOR of its intention to terminate said CONTRACT; and unless within ten (10) days after the serving of such notice, such violation shall cease, the OWNER then may take over the WORK and prosecute same to completion by CONTRACT or by any other method it may deem advisable for the amount and at the expense of the CONTRACTOR. The CONTRACTOR shall be liable to the OWNER for any excess cost occasioned the OWNER thereby and in such event, the OWNER may, without liability for so doing, take possession of and utilize in completing the WORK, such materials, appliances, paint, and any other property belonging to the CONTRACTOR as may be on the site of the work and necessary therefor.

74. Normal Daylight Hours:

Contractor shall perform WORK on the premises during normal daylight hours and shall not perform WORK on the site when artificial light would be required to safely perform the WORK.

75. Normal Working Days:

CONTRACTOR shall perform the WORK during normal working days and shall not work during Sundays, or recognized national and state holidays. CONTRACTOR may take the option of working on Saturdays if the WORK is scheduled regularly to be performed on Saturdays and is approved by OWNER.

76. Use of Explosives

The storage, possession or use of explosives on the site shall be strictly prohibited unless expressly authorized by the OWNER and approved by the State.

77. Compliance with Copeland Regulations

The CONTRACTOR shall comply with the Copeland Regulations of the Secretary of Labor (29 CFR Part 3) which are incorporated herein by reference.

78. Overtime Compensation

A. The CONTRACTOR or Subcontractor shall not require or permit any laborer or mechanic in any workweek in which he or she is employed under this CONTRACT to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

B. In the event of any violation of the provisions of paragraph (a), the CONTRACTOR or

SUPPLEMENTARY CONDITIONS

1. Statement Clarification of Terms:

The Division of Oil, Gas & Mining will assume responsibility for design and engineering on this project and will provide inspection. See Articles 36, 37, and 38.

2. Equal Opportunity:

The CONTRACTOR agrees to abide by the provisions of Titles VI and VII of the Civil Rights Act of 1964 (42 USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services on the basis of race, religion, color, or national origin. CONTRACTOR further agrees to abide by the following directives: Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; federal regulation 45 CFR 90, which prohibits discrimination on the basis of age; Section 504 of the Rehabilitation Act of 1973 (29 USC 701 et seq), which prohibits discrimination on the basis of handicap; and Utah's Executive Order, dated June 30, 1989, which prohibits sexual harassment in the workplace.

3. Access to Records:

The CONTRACTOR agrees to provide the OWNER, the U.S. Office of Surface Mining, The Comptroller General of the United States, or any of their duly authorized representatives access to any books, documents, papers, and records which are directly pertinent to this CONTRACT for the purpose of making audit, examination, excerpts, and transcriptions. Such access will be made during normal business hours, or by appointment.

4. Retention of Records:

The CONTRACTOR agrees to retain and preserve any books, documents, papers, and records which are directly pertinent to this CONTRACT for a period of four years from the date of final payment for the WORK or from the date of Final Acceptance, whichever is later.

5. Variation in Estimated Quantities:

Variations Requiring Adjustments. Where the quantity of any item within the scope of this CONTRACT is an estimated quantity and where the actual quantity of such item varies by more than 15% above or below the estimated quantity stated in this CONTRACT, an adjustment in the CONTRACT price shall be made upon demand of either party. The adjustment shall be based upon any increase or decrease in costs due solely to variation above 115% or below 85% of the estimated quantity. If the quantity variation is such as to cause an increase in the time necessary for completion, the OWNER, upon receipt of a written request for an extension of time, prior to the date of final settlement of the CONTRACT, shall ascertain the facts and make adjustment for extending the completion date as in the judgment of the OWNER such facts justify.

SECTION 0200
GENERAL SITE INFORMATION

PART 1 - GENERAL

1.01 WORK INCLUDED

- A. The WORK consists of the permanent abandonment of a water well in Carbon County. The site is located just south of the town of Clear Creek. The location of the water well is shown on the Maps (Appendix B). The mine site includes other features which shall not be disturbed during the well abandonment procedure. Reclamation construction shall be limited to the abandonment of the well only.

1.02 SUBMITTALS

- A. CONTRACTOR shall submit within five (5) days after award of the CONTRACT a calendar of WORK for performing the WORK, including routine workdays and hours, anticipated holidays, and days that the project will remain idle. Schedule shall also indicate WORK schedules for subcontractors and their estimated start and completion days. Allowance in the schedule shall be made for routine delays due to weather or other site conditions as they occur. The OWNER shall approve said schedule. Any significant deviation from that schedule shall be submitted in writing to the OWNER in the form of an updated schedule as the WORK progresses.

1.03 RELATED WORK

- A. Section 0220: Mobilization/Demobilization
- B. Section 0230: Access Improvement
- C. Section 0250: Well Abandonment
- D. Section 0300: Specific Site Requirements

1.04 CONDITIONS AND RESTRICTIONS

- A. The Blazon Mine area and vicinity contain abandoned mine sites that have been reclaimed in the past. WORK on the Blazon Mine Well Abandonment will be limited to the site specifically identified in Section 0300: Specific Site Requirements.
- B. CONTRACTOR shall identify and develop rapid communication procedures with the closest available emergency medical response units and medical centers. All foremen, superintendents, and managers shall be indoctrinated to emergency response procedures.
- C. The WORK shall stop and the OWNER shall be notified immediately if an accident occurs or upon discovery of a hazard that threatens the safety of workers or the public. The OWNER shall be notified immediately of any situation which may cause environmental damage.
- D. CONTRACTOR shall provide, erect, and maintain temporary barriers, signs, and security devices as necessary to ensure the safety of the CONTRACTOR's personnel, the OWNER's personnel, and the general public.
- E. WORK shall occur normally during daylight hours and shall not be performed when darkness or other conditions required the use of artificial light to safely perform the WORK, without the prior written approval of the OWNER.

- B. Quality of the WORK performed by the CONTRACTOR shall be subject to approval by the OWNER. CONTRACTOR shall assure that the WORK has been performed to the specifications and standards as described herein. The OWNER shall inspect and accept or reject the WORK as the WORK progresses. Payment shall only be made for WORK accepted and approved by the OWNER. CONTRACTOR shall warrant the WORK for a period of one year following final acceptance except that such material warranties and guarantees from manufacturers and suppliers that may be longer than one year shall carry for their term.

PART 2 - PRODUCTS

2.01 GENERAL

- A. Products and materials used in the WORK shall be as required in these Specifications.

2.02 DELIVERY, STORAGE AND HANDLING

- A. CONTRACTOR shall be responsible for the delivery, storage and handling of all items and materials used in performing the WORK.
- B. CONTRACTOR shall be responsible for all materials used in conjunction with the WORK until said WORK is accepted and approved by the OWNER and shall warrant all materials as required by Part 1.05, Quality Assurance.

PART 3 - EXECUTION

3.01 PREPARATION

- A. Upon receipt of notice to proceed, the CONTRACTOR shall perform the WORK as required by these Specifications.
- B. CONTRACTOR shall obtain and provide proof of all licenses, permits, bonds, insurance and other such items as may be required by these Specifications and local, regional, State and Federal jurisdictions prior to execution of the WORK.
- C. Upon receipt by the CONTRACTOR of the NOTICE TO PROCEED, the CONTRACTOR shall notify the OWNER of the date and execution of the WORK shall commence in accordance with the General Specifications as included with the Agreement and the Technical Specifications as presented herein. CONTRACTOR shall provide the OWNER with a schedule for the proposed WORK in calendar, bar chart, or critical path schedule form.

PART 4 - FORM OF AGREEMENT

4.01 CONTRACT AGREEMENT

- A. The CONTRACT agreement will be in the form of a warrant request from the Division of Oil, Gas & Mining.

4.02 CHANGES TO THE AGREEMENT

- A. Any additional WORK must be authorized by the OWNER and must be in writing prior to the CONTRACTOR undertaking any additional WORK.

SECTION 0220
MOBILIZATION/DEMobilIZATION

PART 1 - GENERAL

1.01 WORK INCLUDED

- A. The item for payment for mobilization/demobilization is intended to compensate the CONTRACTOR for operations including, but not limited to, those necessary for the movement of personnel, equipment, supplies, and incidentals to and from the project area, movement between the various mine sites included within the project area, and for all other WORK and operations which must be performed or costs incurred prior to the initiation of meaningful work at the site.

PART 2 - PRODUCTS

2.01 DRINKING WATER AND SANITARY FACILITIES

- A. CONTRACTOR shall provide and maintain safe drinking water and sanitary facilities for all employees, all subcontractors' employees, and the OWNER. Drinking water and sanitary facilities shall comply with all regulations of the local and state departments of health and be approved by the OWNER.

PART 3 - EXECUTION

3.01 PREPARATION

- A. Preparation of the WORK shall include obtaining all permits and other such incidentals as necessary to execute the WORK.
- B. Permits shall be posted or readily available prior to start of construction activities as required by municipal, State, or Federal regulations.

3.02 EXECUTION

- A. Upon receipt by the CONTRACTOR of due NOTICE TO PROCEED, the CONTRACTOR shall notify the OWNER of the starting date and execution of the WORK shall commence in accordance with the General Specifications as included with the Agreement and the Technical Specifications as presented herein. CONTRACTOR shall provide the OWNER with a schedule for the proposed WORK in calendar, bar chart, or critical path schedule form.

PART 4 - MEASUREMENT AND PAYMENT

4.01 BASIS FOR PAYMENT

- A. No partial payments will be made for multiple equipment moves or for moving between sites. Only the following partial payment shall be made of the total lump sum for mobilization/demobilization. Payment of sixty percent (60%) of total lump sum for mobilization will be made when 10 percent of the overall BID PRICE has been earned from other bid items. Payment of the remaining forty percent (40%) of the total lump sum for demobilization will be made after issuance of the Certificate of Substantial Completion at the completion of CONTRACT. Payments for mobilization/demobilization are not subject to withholding of retainage. The BID PRICE for mobilization/demobilization will also include those incidental costs as required by the CONTRACTOR in order to commence the WORK such as permits, insurance, and other such items as may be required to perform the WORK.

SECTION 0250
WELL ABANDONMENT

PART 1 - GENERAL

1.01 WORK INCLUDED

This section describes the type of closure to be used to seal the well. The WORK includes all preparation, labor, materials, furnishing and placing materials, equipment and incidentals necessary to complete the well closure.

1.02 RELATED WORK

- A. Section 0230: Access Improvement
- B. Section 0300: Specific Site Requirements

1.03 JOB CONDITIONS

A. PROTECTION

- 1. CONTRACTOR shall exercise precautions appropriate to working near, over, or in areas prone to subsidence. Such known areas should be flagged by the CONTRACTOR prior to the commencement of the WORK. Personnel shall be informed of special safety procedures for equipment usage and general work in these areas.

PART 2 - PRODUCTS

A. CONCRETE

Concrete shall be in accordance with Administrative Rules for Water Well Drillers (1987), Section 12.4, Materials Used.

PART 3 - EXECUTION

3.01 PREPARATION FOR WELL ABANDONMENT

- A. CONTRACTOR shall take care to make WORK conditions safe in the well area.
- B. CONTRACTOR shall construct work pad if required.

3.02 INSTALLATION OF WELL ABANDONMENT

A. ABANDONMENT

- 1. CONTRACTOR shall close the water well in accordance with the Administrative Rules for Water Well Drillers (1987) Section 12, Abandonment of Wells.
- 2. Final acceptance of the WORK shall be subject to field inspection by the OWNER.

3.03 MINE LOCATION MONUMENT

- A. CONTRACTOR shall install at the well closure a stake for mounting a permanent marker (survey cap). Stakes shall be #5 (5/8-inch diameter) rebar, normally 3 to 4 feet long. The rebar shall be securely anchored in the ground with the end extending above the final grade 2 to 6 inches. The

SECTION 0300
SPECIFIC SITE REQUIREMENTS

PART 1 - GENERAL

1.01 WORK INCLUDED

This section describes the work to be performed on the Blazon Mine Well Abandonment located within Carbon County. The items of the WORK shall be performed according to the appropriate sections of these specifications.

1.02 LOCATION AND DESCRIPTION

- A. Description of the site and location are presented below. The location of the site is shown on Site Maps located in Appendix B. Requirements for the closure method is described in the Technical Specifications. The access, site description, and specific requirements for the closure method is described in this Section. CONTRACTOR shall be aware that minimum or maximum dimensions as given in the specifications are specific and are to be adhered to unless such changes are approved in writing by the OWNER. CONTRACTOR shall visit the site and determine the quantities and amount required in performing the work.

PART 2 - EXECUTION

2.01 WORK REQUIRED AT WELL SITE

The following WORK shall be performed at the site:

- A. Improve access to the site required to conduct the WORK. Such improvement shall be performed in accordance with Section 0230, Access Improvement.
- B. Where access has been created, the access shall be closed following construction in accordance with Section 0230, Access Improvement.
- C. Trash and debris created during construction shall be removed and disposed.
- D. All access created during construction shall be in accordance with Section 0230, Access Improvement.

BLAZON MINE WELL ABANDONMENT

APPENDIX A

DAILY CONSTRUCTION PROGRESS REPORT

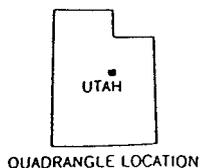
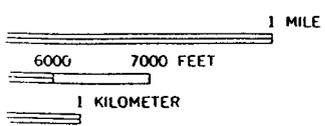
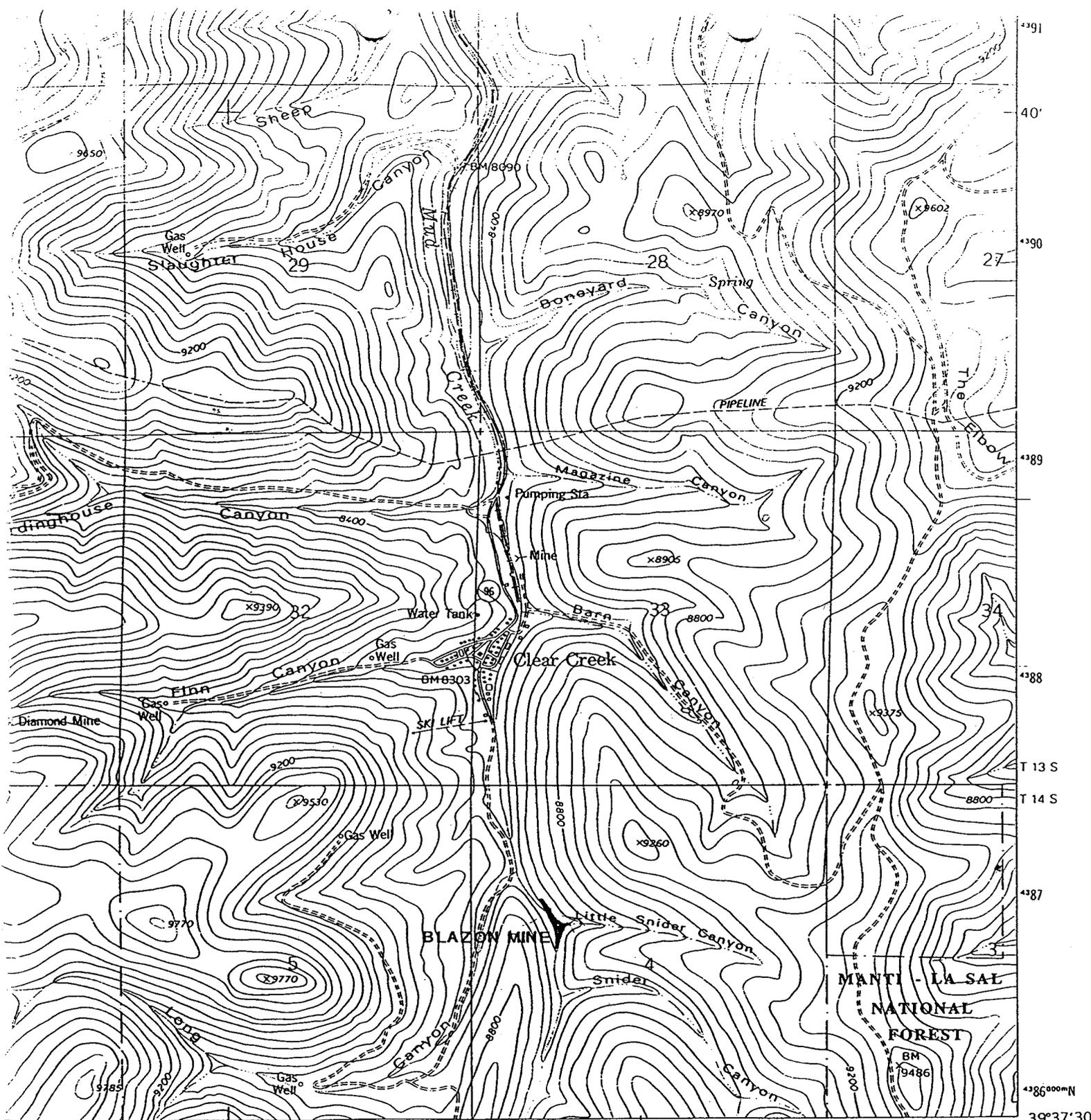
AND

CONTRACTOR PERFORMANCE RATING

BLAZON MINE WELL ABANDONMENT

INDEX OF MAPS

- Sheet 1 Blazon Mine Location Map (State and county location shown, USGS quadrangle coverage, map sheet coverage).
- Sheet 2 Mine Site Plan.

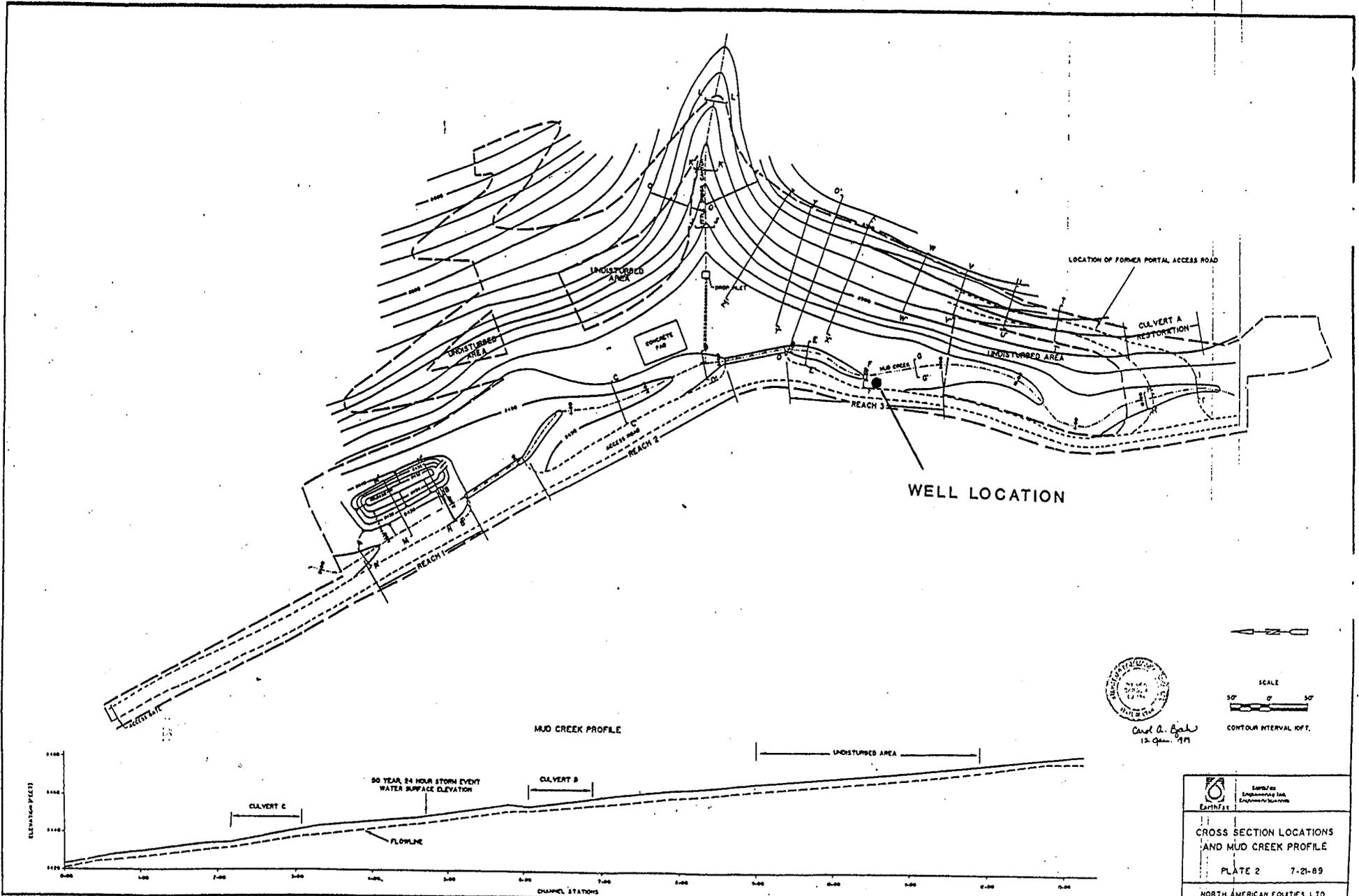


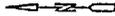
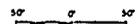
- ROAD CLASSIFICATION**
- Primary highway, hard surface
 - Secondary highway, hard surface
 - Light-duty road, hard or improved surface
 - Unimproved road
 - Interstate Route
 - U. S. Route
 - State Route

COPIES AVAILABLE ON REQUEST
 RESTON, VIRGINIA 22092

SCOFIELD UTAH
 NW/4 SCOFIELD 15' QUADRANGLE
 N3937.5-W11107.5/7.5

(MATTIS) 3762 II SE




 SCALE

 50' 0' 50'
 CONTOUR INTERVAL OF 1'.


 Carol A. Egan
 12 Jan. 1979

| | |
|--|---|
|  ENGINEERS | Licensed Engineering Firm Engineers' Seal No. 12345 |
| CROSS SECTION LOCATIONS AND MUD CREEK PROFILE | |
| PLATE 2 7-21-89 | |
| NORTH AMERICAN EQUITIES, LTD. | |

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---ooOoo---

IN RE: THE ABANDONED BLAZON : NOTICE OF INTENT TO
MINE SITE, T14S, R7E, SEC. 4, : RECLAIM ABANDONED MINE
CARBON COUNTY, UTAH :
 : DOCKET NO. 92-027
 : CAUSE NO. AMR/007/925

---ooOoo---

Pursuant to Utah Admin. R. 643-877-132, and an Order of Nonconsensual Entry issued by the Utah Board of Oil, Gas and Mining ("Board") on January 24, 1996, the Division of Oil, Gas and Mining ("Division") hereby gives Notice of its intent to reclaim the abandoned Blazon Mine site near Clear Creek, Utah, Carbon County, more specifically located at the S/2 NW/4 and the N/2 SW/4 of Section 4, Township 14 South, Range 7 East, SLBM.

The Division intends to do all things necessary or expedient to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining, including, but not limited to, and subject to the available resources of the Division:

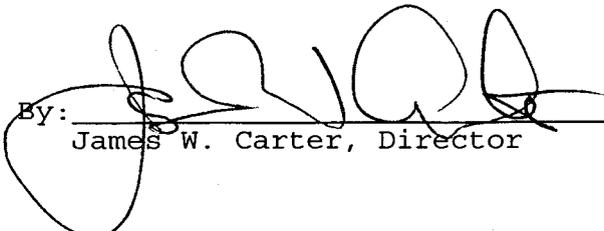
- a. Plugging of an abandoned water well;
- b. Removal of a degraded concrete building pad and other mine related disturbances located on the abandoned mine facilities pad area;
- c. Backfilling and grading the mine facilities pad area;
- d. Removing, backfilling and grading the sediment pond; and
- e. Removing two 72-inch culverts in Mud Creek and one 24-inch culvert in Little Snyder Drainage.
- f. These activities will be conducted over a period of time as site conditions and funding permit.

The Division intends to enter onto the Blazon mine site and commence reclamation activities 30 days after this Notice has been published pursuant to Utah Admin. R643-877-132.

The Findings of Fact and Conclusions of Law supporting the Board's Order of Nonconsensual Entry may be reviewed at the office of the Division located at 1594 West North Temple, Suite 1210, Salt Lake City, Utah. For further information contact Dave Donnelly, Senior Reclamation Specialist for the Division at (801) 538-5318.

Dated this 6th day of August, 1996.

DIVISION OF OIL, GAS AND MINING
STATE OF UTAH

By: 
James W. Carter, Director

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF INTENT TO RECLAIM ABANDONED MINE, AMR/007/925/L to be mailed, postage prepaid, on the 7th day of August, 1996, to the following:

Jack Otani
Star Route, Clear Creek
Box 555
Helper, Utah 84526

Sei Otani
Star Route, Clear Creek
Box 555
Helper, Utah 84526

Steve Tanner
Route 1, Box 146G3
Helper, Utah 84526

Alexander H. Walker, Jr.
for White Oak Mining & Construction Company, Inc.
57 West 200 South, Suite 400
Salt Lake City, Utah 84101-1632

White Oak Mining & Construction Company, Inc.
50 W. Liberty Street, Suite 880
Reno, Nevada 89501

Mark Wayment, Mine Manager
White Oak Mining & Construction Company, Inc.
Scofield Route
Helper, Utah 84526

Robert K. Peper
975 West 600 South
Orem, Utah 84058

James Robertson
Carbon County Sheriff
240 West Main
Price, Utah 84501

