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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 27, 2017

CERTIFIED MAIL RECEIPT  
9590 9402 1618 6053 1295 43

Karin Madsen, Resident Agent  
West Ridge Resources, Inc.  
P.O. Box 910  
East Carbon, Utah 84520-0910

Subject: Midterm Completion Response, West Ridge Resources, Inc., West Ridge Mine,  
Task ID #5449, C/007/0041

Dear Ms. Madsen:

As indicated to you by letter (dated June 14<sup>th</sup>, 2017), the Division of Oil, Gas and Mining (the Division) completed its latest review of the West Ridge Mine midterm completion response on June 14<sup>th</sup>, 2017. At that time, the Division indicated that bond adjustment deficiency was still outstanding. It was further iterated that the Division has reviewed the submitted bond revisions three times since the midterm permit review was completed in October of last year (Task #5268). Numerous conference calls and at least two sit down meetings have been conducted between the Division and West Ridge Mine staff. In each instance, Division staff left the meeting confident that the outstanding bonding issues had been resolved only to discover additional, new errors with each subsequent revision.

At this point, our staff is confident in the units/volumes utilized in the reclamation bond calculations. Per State of Utah R645 Coal Mining rules R645-301-812.300 and -830.110, it is our responsibility to determine the amount of the bond required for the State of Utah to perform the reclamation of the West Ridge Mine.



Two separate surety bonds have been posted with the Division. One bond is for the main mine site facility and the other is for the gob vent hole facility. The current bond amounts and additional bond required is as follows:

Current Total Posted Bond:	\$2,184,000.00
Additional Bond Required:	\$528,000.00
Total Bond Required as a result of Midterm Review	<u>\$2,712,000.00</u>

When broken down by main mine site and gob vent hole facility, the additional \$528,000.00 in required bond is as follows:

Additional bond required for Main Mine Site:	\$511,632.00
Additional bond required for Gob Vent Hole Facility:	\$16,368.00

Upon receipt of this letter, you will have 30 days in which to provide the additional bond. Please contact Suzanne Steab, Bond Coordinator, at (801)538-5265 to receive the bond documents required to revise the Reclamation Agreements for the West Ridge Mine.

If you have any questions, please call me at (801) 538-5325.

Sincerely,



Daron Haddock  
Coal Program Manager