

0062



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

July 11, 1991

Mr. Wendell Owen
Co-Op Mining Company
P.O. Box 1245
Huntington, Utah 84528

Dear Mr. Owen:

Re: Irrevocable Letters of Credit, Co-Op Mining Company, Trail Canyon Mine, ACT/015/021, Bear Canyon Mine, ACT/015/025, Folder #2 & #4, Emery County, Utah

The Irrevocable Letter of Credit for the Trail Canyon and the Bear Canyon Mines must be updated. Currently, the letter of credit is deficient for both mines for the following reason:

The mine name and the DOGM permit number are not shown on the letter of credit.

I am attaching a sample letter of credit that meets our standards. Please submit the revised Letters of Credit by August 15, 1991.

Sincerely,

A handwritten signature in cursive script that reads "Pamela Grubaugh-Littig".

Pamela Grubaugh-Littig
Permit Supervisor

Attachment
cc: Bill Malencik
AT015021.1

SAMPLE
Bank Letterhead
Bank Address
Bank Phone, etc.

Department of Natural Resources
Division of Oil, Gas and Mining
ATTN: Pamela Grubaugh-Littig
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

Date _____

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. _____ Page 1 of 2

DATE AND PLACE OF EXPIRY:

APPLICANT (or PERMITTEE):

Company Name:

Address: _____

PERMIT NO. _____

MINE NAME: _____

AMOUNT: US \$ _____ *

(Also, type amount out in long-hand)

LADIES/GENTLEMEN:

ON BEHALF OF (APPLICANT) _____, WE HEREBY ESTABLISH OUR
IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR, PAYABLE IN PART OR FULL TO THE STATE OF UTAH, DIVISION OF
OIL, GAS AND MINING, AVAILABLE BY YOUR DRAFT(S) IN AN AMOUNT NOT TO EXCEED \$ _____*,
UPON RECEIPT OF A WRITTEN DEMAND BY THE DIVISION OF OIL, GAS AND MINING (DOGM) PURSUANT TO
R614-301-880.900, BECAUSE OF ANY VIOLATION OF THE SURFACE MINING CONTROL AND RECLAMATION ACT, THE
REGULATORY PROGRAM, THE PERMIT AND THE RECLAMATION PLAN.

THIS LETTER OF CREDIT IS EFFECTIVE _____ (DATE), AND WILL EXPIRE AT THE CLOSE OF
BUSINESS ON _____ (DATE); HOWEVER, THIS CREDIT WILL AUTOMATICALLY BE EXTENDED FOR
PERIODS OF ONE YEAR FROM ANY SCHEDULED EXPIRATION DATE (AS ORIGINALLY SCHEDULED OR AUTOMATICALLY
EXTENDED) UNLESS NINETY (90) DAYS PRIOR TO SUCH DATE WE NOTIFY YOU IN WRITING BY CERTIFIED MAIL,
RETURN RECEIPT REQUESTED, THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR SUCH ADDITIONAL
PERIOD.

UPON RECEIPT BY YOU OF SUCH NOTICE, YOU MAY DRAW ON US AT SIGHT FOR THE AMOUNT OF THIS LETTER OF
CREDIT BEGINNING 30 DAYS OR LESS PRIOR TO THE THEN APPLICABLE EXPIRATION DATE, ACCOMPANIED BY A
STATEMENT SIGNED BY DOGM'S BOND APPROVING OFFICER CERTIFYING THAT THE AMOUNT OF THE DRAWING
REPRESENTS FUNDS DUE DOGM BECAUSE THE PERMITTEE HAS FAILED TO REPLACE THIS LETTER OF CREDIT BY
OTHER SUITABLE BOND PURSUANT TO R614-301-860.222 AND R614-301-870.

Continued on Page 2

Bank Name

Authorized Signature
Typed name of Authorized Signature
Title of Authorized Person

SAMPLE
Bank Letterhead
Bank Address
Bank Phone, etc.

Department of Natural Resources
Division of Oil, Gas and Mining
ATTN: Pamela Grubaugh-Littig
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

Date _____

IRREVOCABLE STANDBY LETTER OF CREDIT
NO. _____ Page 2 of 2

PERMIT NO. _____
MINE NAME _____

Continued from page 1

WE CERTIFY THAT THE AMOUNT OF THE CREDIT HEREIN ESTABLISHED WILL NOT BE REDUCED FOR ANY REASON DURING THE PERIOD OF THIS INSTRUMENT WITHOUT THE WRITTEN CONSENT OF DOGM.

WE WILL GIVE PROMPT NOTICE TO THE PERMITTEE AND TO DOGM'S BOND APPROVING OFFICER OF ANY NOTICE RECEIVED OR ACTION FIELD ALLEGING THE INSOLVENCY OR BANKRUPTCY OF THE BANK, OR ALLEGING ANY VIOLATIONS OF REGULATORY REQUIREMENTS WHICH COULD RESULT IN SUSPENSION OR REVOCATION OF THE BANK'S CHARTER OR LICENSE TO DO BUSINESS.

IN THE EVENT THE BANK BECOMES UNABLE TO FULFILL OUR OBLIGATIONS UNDER THIS LETTER OF CREDIT FOR ANY REASON, NOTICE SHALL BE GIVEN IMMEDIATELY TO THE PERMITTEE AND TO DOGM'S BOND APPROVING OFFICER.

IN WITNESS WHEREOF, THE BANK HAS HEREUNTO SET ITS SIGNATURE THIS ____ DAY OF _____, 199__.

*

*

*

*

*

*

Bank Name

Authorized Signature
Typed name of Authorized Signature
Title of Authorized Person