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STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

August 27, 1986

Mr. Ken Payne, Manager
Southern Utah Fuel Company
P.O. Box P
Salina, Utah 84654

Dear Mr. Payne:

RE: Reclamation Bond Estimate, Southern Utah Fuel Company,
Convulsion Canyon Mine, ACT/041/002, Folder #2, 5, Salina
County, Utah

Currently Southern Utah Fuel Company (SUFCO) is bonded for \$138,950.00 through Highlands Insurance Company, bond #96-94-84 which was posted on April 1, 1983. Since that time, changes in the reclamation plan which have been incorporated into the Final Decision Document for the Convulsion Canyon Mine warrant revision of the bond amount.

Please find enclosed, a copy of the Division's determination of the required reclamation bond as provided in the Final Technical Analysis and Decision Document for the Convulsion Canyon Mine. The amount required by the Division for the five year permit term has been determined to be \$1,099,000.00 in 1991 dollars.

The Division and the Office of Surface Mining (OSM) shall require that prior to final approval of the Mining and Reclamation Plan and within 45 days of the receipt of this letter, that SUFCO submit bond to the Division as determined in the Decision Document. Required form for submittal of the revised bond amount is also attached. Please note that the bond should list both the Division and OSM as obligees. Should you desire to change surety companies or type of bond, please contact the Division for the appropriate forms.

Should you require any further information please contact myself or Susan Linner, Permit Supervisor.

FILE COPY

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Mr. Ken Payne
ACT/041/002
August 27, 1986

Thank you for your timeliness and cooperation in this matter.

Sincerely,

L. P. Braxton
L. P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

jrh:jvb
Enclosure
cc: A. Klein
R. Harden
S. Linner
1011R-93