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State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

July 18, 1995

Ken May, Manager  
Southern Utah Fuel Company  
397 South 800 West  
Salina, Utah 84654

Re: Bond Adjustment/Mid-Term Review, Southern Utah Fuel Company, Convulsion Canyon Mine, ACT/041/002, Folder #3, Sevier Cnty, Utah

*Ken*  
Dear Mr. May:

As you know the Division has been reviewing the Convulsion Canyon Mining and Reclamation plan in conjunction with the Mid-Term Permit Review. On February 27, 1995, you were sent the results of our review which indicated that a number of deficiencies existed in your plan. Since that time Sufco provided submittals which we have now reviewed and which we have determined to have corrected the deficiencies with the exception of one item - that being a demonstration that Sufco will use all of the reasonably available spoil to eliminate the highwalls to the extent possible. In order to leave any highwall, Sufco must demonstrate that there is insufficient material available to eliminate it. Once this item has been taken care of it can be determined that all of the Mid-term deficiencies are adequately addressed. Please respond to this issue by September 15, 1995.

Another part of the Mid-Term was to review the bond calculations in order to determine the adequacy of the Convulsion Canyon bond. Our review of the bond has indicated that in accordance with R645-301-830.400, an adjustment of bond amount is necessary at this time. The estimated cost of reclamation has increased and Sufco must now post the additional bond necessary to cover the cost of reclamation. The Division has determined that the bond amount that must be posted at the Convulsion Canyon Mine is \$3,988,000. Please post the additional amount of bond to bring your total bond to \$3,988,000 by no later than August 25, 1995. You should provide the necessary updates to the reclamation agreement at the same time. A copy of the "Stipulation to Revise Reclamation Agreement" has been enclosed for your use.

Please call if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lowell'.

Lowell P. Braxton  
Associate Director

enclosure

cc: D. Haddock  
P. Grubaugh-Littig  
W. Western  
P. Hess



**EXHIBIT "D"**  
**STIPULATION TO REVISE**  
**RECLAMATION AGREEMENT**

Permit Number: \_\_\_\_\_

Effective Date: \_\_\_\_\_

**COAL  
STIPULATION TO REVISE RECLAMATION AGREEMENT**

--ooOOoo--

This STIPULATION TO REVISE RECLAMATION AGREEMENT entered into by and between the PERMITTEE and DIVISION incorporates the following revisions or changes to the RECLAMATION AGREEMENT: (Identify and Describe Revisions Below)

In accordance with this STIPULATION TO REVISE RECLAMATION AGREEMENT, the following Exhibits have been replaced by the PERMITTEE and are approved by the DIVISION:

\_\_\_\_\_ Replace the RECLAMATION AGREEMENT in its entirety.

\_\_\_\_\_ Replace Exhibit "A" - PERMIT AREA.

\_\_\_\_\_ Replace Exhibit "B" - BONDING AGREEMENT.

\_\_\_\_\_ Replace Exhibit "C" - LIABILITY INSURANCE.

The BONDING amount is revised from (\$ \_\_\_\_\_) to (\$ \_\_\_\_\_).

The BONDING Type is changed from \_\_\_\_\_ to \_\_\_\_\_.

The SURFACE DISTURBANCE is revised from \_\_\_\_\_ acres to \_\_\_\_\_ acres.

The EXPIRATION DATE is revised from \_\_\_\_\_ to \_\_\_\_\_.

The LIABILITY INSURANCE carrier is changed from \_\_\_\_\_

to \_\_\_\_\_.

The AMOUNT of INSURANCE coverage for bodily injury and property damage

is changed from (\$ \_\_\_\_\_) to (\$ \_\_\_\_\_).

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal  
this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
PERMITTEE

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED BY THE STATE OF UTAH  
this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Director, Division of Oil, Gas and Mining

**NOTE:**

An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.