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

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Executive Director

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Division Director

M/003/026

July 31, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 5132

Lon Thomas
Star Stone Quarries, Incorporated
4040 South 300 West
Salt Lake City, Utah 84107

Re: Approval of Form and Amount of Replacement Sureties, Cotton Thomas (M/003/024) and Rosebud (M/003/026), Box Elder County, Utah

Dear Mr. Thomas:

Thank you for providing the replacement Reclamation Contracts for the Cotton Thomas and Rosebud mines, which were received on July 10, 2002. On March 18, 2002, we received two surety bonds issued by Developers Surety and Indemnity Company. Surety bond #[redacted] in the amount of $105,200 for the Cotton Thomas Quarry replaces the Redland surety bond #[redacted]. Surety bond #[redacted] in the amount of $68,700 replaces the American Motorists Insurance Company surety bond #[redacted]. Our recent receipt of the Reclamation Contracts, which are tied directly to the surety bonds, completes this permitting process for these two large mines.

We have enclosed copies of the signed and executed documents for your records. We are returning the original American Motorists surety bond for the Rosebud Mine and the original Redland surety bond for the Cotton Thomas Mine with their respective Reclamation Contracts for your disposal.

Thank you for helping finalize this permitting action for these two sites. As a reminder, the Heber Quarry mine is still bonded by Redland Insurance Company. It has been mutually agreed that when the premiums become due for the Redland bond, that you will also replace that surety bond with a bonding company that is in accord with the Board of Oil Gas and Mining's newly adopted rules of acceptable bonding companies.

Thank you for your help in finalizing this permitting action. Please contact me or Lynn Kunzler if you have any questions with regard to this letter.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures: 1) MR-RC & Developers Surety Bond
2) MR-RC & Developers Surety Bond #
3) original MR-RC & Redland Surety Bond #
4) original MR-RC & American Motorists Surety Bond #
cc: Mike Ford, BLM, SLFO w/2 enclosures 1 & 2
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