M/015/041

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
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Salt Lake City, Utah 84111-2303

IN REPLY REFER TO:
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DIV. OF OIL, GAS & MINING

November 7, 1995

Tony Gallegos
Sate of Utah, Department of Natural Resources
Division of Oil, Gas, and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Mr. Gallegos:

We were asked to review the bonds held by Emery County for mining activity in section 29, T. 22 S., R. 9 E., SLM, Utah. It is our understanding that Emery County currently holds two $10,000 bonds from Phillip Palmer and Diamond K Company. One bond is for the reclamation of county roads, the other is for reclamation of the mine site. We cannot recognize either of these bonds.

Apparently, the San Rafael Resource Area has a Memorandum of Understanding (MOU) between them and Emery County for administration of hardrock mining reclamation bonds. According to Surface Management Regulations (43 CFR 3809.3-1(c)) BLM may enter into agreements to provide for a joint Federal-State program administration and enforcement of the surface management regulations. The regulations do not allow for the BLM to enter into agreements with individual counties. We will work with San Rafael Resource Area to cancel this MOU.

The bond amount that must be secured for this mining activity, as calculated by the San Rafael Resource Area, is $24,000. The bond amount that must be secured by your office is $29,400. Since the State requires a higher bond amount, we would be willing to have your office jointly hold the bond for this operation.

The issue of how to deal with counties that will allow BLM and the State Division of Oil, Gas, and Mining to be jointly listed on the bonds they hold for mining activity encumbering 5 acres or less should be addressed at our annual meeting. We would like to propose that this meeting be held in middle to late January.

If you have any questions, please call Walt Phelps at (801) 539-4125 or Opie Abeyta at (801) 539-4123.

Sincerely,

Douglas M. Koza

Douglas M. Koza
Deputy State Director, Mineral Resources

cc: San Rafael Resource Area