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Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

December 7, 2005

Mr. Rocky Heinrich
The Rockland Corporation
12320 East Skelly Drive
Tulsa, Oklahoma 74128

Subject: Review of Draft Transfer Notice, The Rockland Corporation, The Rockland Mine, S/015/090, Emery, County, Utah

Dear Mr. Heinrich:

The Division has reviewed your draft Transfer of Notice of Intention for The Rockland Mine. The transfer is not complete; the following comments must be addressed:

1. File Number. Please include the file number (S/015/090).

2. Address. The address listed with the Utah Department of Commerce for TRC Minerals is 12320 East Skelly Drive, Tulsa, Oklahoma 74128. Please make this change or correct the Department of Commerce listing.

3. Original form. The Division needs to receive the original transfer form.

4. Legal description. The legal description appears to show the township as Township 23 South, Range 5 East. The correct legal description for the mine itself is Township 23 South, Range 6 East, Section 2, SE¼ SW¼.

   The access road is included as part of the disturbed area for the mine, so the legal description needs to include the lands the road crosses. As close as we can determine, this would include the following:

   Township 23 South, Range 6 East

Section 2 NW¼ NW¼, W½ SW¼, SE¼ SW¼
Section 3 E½ NE¼, NE¼ SE¼

Township 22 South, Range 6 East
Section 35 SW¼ SW¼

Before including this description in the transfer, please confirm whether it is correct.

5. Second transfer notice. You included a transfer notice with the following legal description:

   Township 22 South, Range 7 East
   Section 16 All
   Section 32 NW¼

   The Division has not permitted a mine in these areas. If you have leases with SITLA that you would like to transfer, you need to contact John Blake.

6. Reclamation surety. You need to post a reclamation surety with the Division of Oil, Gas and Mining in the amount of $18,100.

The Division recognizes that you have posted a $25,000 surety with the School and Institutional Trust Lands Administration, and although the amount of the surety is adequate, there are other aspects that are not acceptable. These include:

1. The surety includes liabilities other than reclamation, such as rents and royalties.

2. The legal description does not include the areas disturbed for road construction or improvement.

3. The Division requires that companies supplying surety bonds be rated as A- or better by A. M. Best and that they be listed on Circular 570 issued by the Treasury Department. Redland Insurance Company is rated A- by A. M. Best, but it is not listed in Circular 570.

When you post a new reclamation surety with the Division, the School and Institutional Trust Lands Administration may allow a reduced surety.

We look forward to receiving your revised transfer notice and reclamation surety. If you have questions about this letter, please call Paul Baker at 801-538-5261 or me at 801-538-5258.

Sincerely,

Susan M. White

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:jb
cc: John Blake, SITLA
Rebecca Doolittle, Price BLM
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