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DIVISION OF
OIL GAS & MINING

M/023/003

3809/UT054
UT-056-02P

December 4, 1991

Greg Hawkins
Mine Manager
Brush Wellman
P.O Box 815
Delta, UT 84624

RE: Reclamation Bond; Topaz Mine, Mine Plan of Operations UT-056-02P

Dear Mr. Hawkins:

As Rody Cox discussed with you on November 29, 1991, the Bureau of Land Management has revised its policy for bonding of plans of operations under 43 CFR 3809. All 3809 operators with approved plans of operations are now required to post a reclamation bond. The amount of the bond is to be calculated by the Bureau of Land Management.

Although calculated independently, the Bureau can accept bonds posted with the State of Utah, Division of Oil, Gas and Mining, if the State bond is within 75% of the Bureau's estimate. If the State bond is less than 75%, a supplementary bond shall be required. Bonding by the Bureau cannot exceed $2,000 per acre for mining operations, except for cyanide operations and for operators who have established a record of noncompliance.

Your assistance is requested in this evaluation. Would you please submit an estimate of reclamation costs for your mining operation. This information should be broken down into separate estimates for the reclamation of each distinct area of activity including roads, drill pads, open pits, waste dumps, mill sites and other surface disturbances. Individual estimates are requested for equipment, operating costs, labor and project overhead. This information is needed for each mine unit or other logical unit. If possible we would like this information by January 1, 1992. The State of Utah, Division of Oil, Gas and Mining has also received a request to submit a copy of it's bond determination for your operation.

Please feel free to call Rody Cox at (801) 743-6811 if you have any questions concerning this letter.

Sincerely,

SIGNED

Rex Rowley
Area Manager

cc: Michael Jackson, RDO
D. Wayne Hedberg, UDOGM

RCox:mfr