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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 5, 1990

TO: Board of Oil, Gas and Mining

THRU: Lowell P. Braxton, Associate Director, Mining LPB

FROM: D. Wayne Hedberg, Permit Supervisor/Hydrologist DWH

RE: Request for Board Concurrence, Permit Transfers & Amount and Form of Reclamation Sureties, Ashgrove Cement West, Inc., Leamington Quarry, Nielson Sandstone Quarry & Navajo Sandstone Quarry, M/023/004, M/023/012, & M/023/010, Juab County, Utah

The Division seeks the Board's concurrence on the amount and form of replacement reclamation sureties to be provided by Ashgrove Cement West, Inc. (ACWI) for the above mentioned mining properties. ACWI has purchased the properties from Southwestern Cement Enterprises, Inc. (SCEI) and is now seeking formal permit transfer from the Division.

The Leamington Quarry and cement plant encompasses approximately 218 disturbed acres and is located on federally managed lands. A $386,000 corporate surety bond is currently held by the Fishlake National Forest for reclamation of this mine site. A replacement Forest Service surety bond is being provided by ACWI in the amount of $386,000. Pursuant to our joint agency MOU, the Richfield Forest Service District Office is acting as the lead permitting agency, and will sign the Leamington permitting documents last.

The Nielson Sandstone Quarry was originally permitted and bonded for a 40 acre disturbance. A $122,300 replacement reclamation surety bond will be provided by ACWI for this mine site. The current mine site disturbance is approximately 7 acres.

The Navajo Sandstone Quarry was originally permitted and bonded for a 18 acre disturbance ($51,000). The current mine site disturbance is approximately 8 acres. The operator requested a reclamation surety reduction based upon their decision not to expand operations beyond the existing disturbed acreage. The Division has calculated a revised reclamation estimate of $15,000 (1994 dollars). ACWI will provide a $15,000 reclamation surety bond for this site.

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Attached are copies of the following documents:

1. The original executive summaries and location maps.

2. The permit transfer forms (Form MR-TRL).

3. The reclamation contract forms (Form MR-RC).

4. A revised reclamation surety for the Navajo Sandstone Quarry (M/023/010).

5. The replacement surety bond forms.

   The surety will be selected from the Department of the Treasury's accepted list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies", as published annually in the Federal Register.

6. A new Joint-Agency Reclamation Surety Agreement form (Form MR-JASA). It will only be used as an attachment to the Forest Service surety bond form for the Leamington Quarry.

The latest DOGM/USFS/BLM MOU requires that the reclamation surety be held jointly in the name of the State and the appropriate federal regulatory agency.

Thank you for your time and consideration of this request for acceptance of the forms and amount of reclamation sureties and permit transfers.

jb
Attachments
WMN2/1-2