GARY R. HERBERT
*Governor*

GREGORY S. BELL
*Lieutenant Governor*

# State of Utah

**DEPARTMENT OF NATURAL RESOURCES**

MICHAEL R. STYLER
*Executive Director*

**Division of Oil, Gas and Mining**
JOHN R. BAZA
*Division Director*

April 13, 2009

Certified Return Receipt
7003 2260 0002 0247 9420

Bank of America
1000 West Temple Street
7th Floor, Trade Operations CA9-705-07-05
Los Angeles, California 90012-1514

Subject: Non-Renewal of Letter of Credit # [redacted], Ash Grove Cement Company, Leamington Cement Plant, M/023/0004, Juab County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated April 7, 2010, regarding non-renewal of Letter of Credit # [redacted] in the amount of $4,372,057.00. The mine operator, Ash Grove Cement Company, has been advised that a replacement surety must be provided by June 6, 2010. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of $4,372,057.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety to be used for reclamation of the Leamington Cement Plant pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

We are anticipating that the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise if you have any questions and let me know in writing if this procedure is not acceptable.

Thank you. If you have any questions, please feel free to call me at (801) 538-5261.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:whw:pb
Enclosure Letter dated April 7, 2010, and Sight Draft
P:\GROUPS\MINERALS\WP\M023-Juab\M0230004-Leamington\final\CancelBank-04082010.doc

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UTAH DNR OIL, GAS & MINING