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

June 26, 2012

CERTIFIED RETURN RECEIPT
7011 0110 0001 3568 3520

Ron Smith
Ash Grove Cement Company
P. O. Box 38069
Leamington, Utah 84538-0069

Subject: Five-Year Review of Reclamation Surety, Ash Grove Cement Company, Leamington Cement Plant, M/023/0004, Juab County, Utah

Dear Mr. Smith:

The last surety estimate for the Leamington Cement Plant Mine was completed in 2011 but was done using 2007 dollars and escalated until July 22, 2012. Upon review of the information you submitted and after a visit to verify site conditions, the Division of Oil, Gas and Mining finds that it is only necessary to escalate the present bond for a five-year period.

The surety for the Leamington Cement Plant Mine needs to be escalated to 2017. The Division needs you to update the reclamation cost worksheets using recent actual and projected escalation figures. These figures are:

2007	2.12%	2010	1.80%
2008	-3.40%	2011	2.90%
2009	2.90%	2012-2.17	1.20% (five-year average)

Please provide the updated worksheets no later than July 22, 2012, after which the Division will review the worksheets and determine the amount required for the reclamation surety.

Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions concerning this letter. Thank you for your assistance in keeping the surety current.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:whw:pb
Enclosure: Inspection report
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