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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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February 27, 1992

TO: Lowell P. Braxton, Associate Director, Mining

THRU: D. Wayne Hedberg, Permit Supervisor, Minerals DWH

FROM: Tony Gallegos, Reclamation Engineer

RE: Transfer of Mining Operations, Ash Grove Cement Company, Leamington Quarry M/023/004, Navajo Sandstone Quarry, M/023/010, Nielson Quarry M/023/012, Juab County, Utah

The above mentioned mine operations were transferred from Southwestern Cement Enterprises, Inc. to Ashgrove Cement West, Inc. (ACWI) at the March 1990 Board Briefing. At that time, the form of surety changed for all three operations. This change involved a change in the operator and surety company. The Navajo Quarry acreage was reduced from 15 acres to 8 and the surety was reduced accordingly. The other two surety amounts remained unchanged.

Effective January 1, 1992, ACWI was merged into Ash Grove Cement Company (Ash Grove). Ash Grove has provided the Division with riders for each of the three surety bonds. The original 1990 sureties are with Westchester Fire Insurance Company, New York, NY, which is included in the 1991 Federal Register, Department of Treasury listing of acceptable surety companies. All three riders provide for a change in the principal's name only and do not affect the amount of surety. The rider for the Leamington Quarry names the "Obligee" as the USA- U.S. Dept. of Agriculture while the other two riders list the Division. The original copy of the rider will be sent to the Fishlake National Forest office where the original surety for the Leamington Quarry is held. The riders for the Navajo and Nielson operations do not jointly list the BLM although BLM lands are involved. Under the current MOU the Division may hold a surety for the BLM. The lack of the BLM being shown on the rider should not be a problem, provided the appropriate BLM offices are contacted and a statement requiring BLM consent before surety release is put into the files. Ash Grove has also provided Reclamation Contracts and maps for each of the three operations.

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Since the amount and form of surety are not changing at this time, it would be unnecessary to bring this matter before the Board. For this reason, it is recommended that the Division approve of these transfers.

The following items are attached to assist you in your review of this recommendation:

(1) a Surety Rider for each of the 3 existing sureties;

(2) a Reclamation Contract fully executed by Ash Grove for all 3 operations;

(3) a copy of the March 1990 cover memo for the Board package; and

(4) a ~~memo~~ LETTER to BLM and surety files.

jb
Ashgrove