State of Utah
DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Lieutenant Governor

September 8, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 5972

Carl Clyde
Geneva Rock Products, Inc.
P.O. Box 1955
Orem, Utah 84059

Subject: Evaluation of Reclamation Surety, Geneva Rock Products, Inc., Morgan Facility, M/029/0008, Morgan County, Utah

Dear Mr. Clyde:

The last reclamation cost estimate for the Morgan Facility mine was completed in 2010 and escalated to 2015 with a bond escalation date of April 4, 2015, so the reclamation surety amount is now due for review and adjustment. The Division of Oil, Gas and Mining may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

To properly calculate the reclamation bond the Large Mine Operation Plan (LMO) needs to be up to date to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment to the LMO using form MR-REV (LMO).

In addition the reclamation cost worksheets need to be updated with the latest standard unit costs. Please complete the worksheets and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the LMO by November 2, 2015.**

Please contact Leslie Heppler at 801-538-5257 for the LMO update, Wayne Western at 801-538-5263 for the reclamation cost update, or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number M/035/0008.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB: lah:mt:pb
cc: Brent Sumsion, Clyde Companies (bsumsion@clydeinc.com)
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