STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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April 7, 1987

Mr. Bruce Gilbert
Environmental/Safety Supervisor
Manila Star Route
Vernal, Utah 84078

Dear Mr. Gilbert:

Re: Bond Release, Vernal Phosphate Operations - M/047/007

Thank you again for the tour of your Vernal Phosphate Operations. We were all impressed with the fine job of reclamation that Chevron Resources has done. As promised, I have reviewed your current bond and obtained clarification of the Division's bond release policy. Bond release can be obtained as follows:

1. Complete bond release can be obtained for those areas that have been reclaimed and have obtained 70% of the original ground cover after three growing seasons (Rule M-10(12)).

2. A partial bond release can be obtained for those areas that have been regraded and seeded, but do not as yet meet the requirements of rule M-10(12). The amount of partial bond release will be dependent on the quality of the reclamation work performed, probability of success, and the amount of additional work that would be required in a "worst case situation". The worst case situation will be based on the recommendations of both Dave Wham (hydrologist) and Frank Jensen (soils specialist).

The grading and revegetation portion of your current bond is based on the following post 1975 acreages and projected reclamation costs:

Area	Acreage	(1985$) Cost/Acre	(1990$) Cost/Acre
Camp Canyon	54	$1,730	$2084
Panel A	83	1,730	2084
Panel C	122	1,730	2084
Roads	68	592	2084
Projected Mining (1984-89)	1130	1,730	2084

We have received your April 1, 1987 letter and map requesting complete release of 390+ acres. Frank Jensen will contact you and arrange a vegetative survey during the last two weeks in May. After the vegetative survey is completed, I will need a map from you which clearly shows the following:

1. The total post 1975 disturbed acreage,

2. The portion of the total acreage which meets the criteria for complete bond release, and

3. That portion of the total acreage which is eligible for partial bond release. This should not include any areas that will have to be redisturbed at a later date.

Upon receipt of this map, we will calculate a bond reduction based on the 1990 cost per acre estimates. We can continue to do this on an annual basis if you so desire. The entire bond will have to be reevaluated in 1990 (or sooner if mining proceeds faster than 1984 projections).

Please feel free to contact me if you should have any questions or need addition information.

Sincerely,

Frank J. Filas
Reclamation Engineer

clj
cc: L. Braxton
F. Jensen
D. Wham
1115R/56-57