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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

April 17, 2014

Certified Return Receipt
7011 2970 0001 8828 9722

John S. Wilkinson
Wilkinson Construction Company, Inc.
1200 East 100 South
Morgan, Utah 84050

Subject: Reclamation Surety Required, Wilkinson Construction, Dugout Canyon Gravel Pit, S/047/0112, Uintah County, Utah

Dear Mr. Wilkinson:

The Division of Oil, Gas and Mining is in receipt of the reclamation surety bond required by Cessation Order MC-2014-60-01 issued March 24, 2014. The reclamation surety received was in the amount of $36,900. The required reclamation surety is $62,200.00 for a 3-year escalation or 64,400.00 for a 5-year escalation as stated in a letter the Division issued on May 30, 2013. These amounts were determined based on a 10-acre mine. If you intend to keep the permit at 10 acres (which is the maximum acreage allowed for a small mine permit application), then you will be required to remit the additional surety to supplement the $36,900 submitted.

Alternatively, if you wish to amend your mine plan and reduce the acreage, the $37,900 will cover up to a six acre permit area. The calculation below is based on the Divisions 2014 reclamation surety costs for small mining operations:

Small Mine Operation Bond
Calculation Worksheet S/047/0112
Over 5 acres
3-year escalation (2015)

Item	Qty	Unit Cost	Total Cost
6th Acre Disturbance	1	$36,500.00	$36,500.00
TOTAL			$36,500.00

To reduce the acreage on this permit, you will need to amend your Notice of Intent by filing a revision form. The form required is attached or it can be accessed at the following link:

https://fs.ogm.utah.gov/PUB/MINES/Minerals_Related/FORMS/MR-REV-SMO_EXP.pdf

Along with the form, please submit the change of acreage amount to 6 on page 4, Section III, item 8 of your Notice of Intention to Commence Small Mining Operations (NOI) (see attached).

UTAH DNR OIL, GAS & MINING

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Please submit either the additional reclamation surety and reclamation contract, or the corrections to your NOI reducing your permit disturbance allowance to 6 acres no later than May 19, 2014. No additional mining-related disturbance may be created until the surety is received and approved and you have received written acceptance from this office. Taking no action may result in additional enforcement.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for assistance in completing this requirement.

Please contact April Abate at 801-538-5214 or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number S/047/00112.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:aaa:eb
Encl: Form MR-REV-SMO/EXP
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