M/49/031

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

July 30, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 3717

Mike Dalley
Staker & Parson Companies
1730 North Beck Street
Salt Lake City, Utah 84116

Re: Division Directive to Transfer Large Mine Permits and Post Replacement Reclamation Sureties, Western Aggregates/Valley Asphalt, Inc., Lehi and Ekins East Quarries, M/049/031 & M/049/032, Utah County, Utah

Dear Mr. Dalley:

On October 28, 2002, we received a response from Staker & Parson Companies to our October 17, 2002 letter of inquiry, regarding the status of the property acquisition and permit transfer documents for Western Aggregates/Valley Asphalt, Inc.'s, Lehi and Ekins East Quarries. The letter stated that Staker & Parson Companies was in the process of preparing updated engineered site maps and 5-yr mine development plans. Once these maps were complete, Staker & Parsons would file the appropriate transfer forms and replacement reclamation sureties.

On July 16, 2003, I called you to discuss this matter further. I advised you that we had received notice that Western Aggregates/Valley Asphalt had filed bankruptcy and that we need to finalize the permit transfers and bond replacements as soon as possible. You asked that I send you a letter in this regard. Because your company has purchased and operated these properties since 2002, the ***Division hereby directs Staker and Parsons Companies to file the appropriate permit transfer forms and replacement sureties for these mine sites within the next 60 days (September 30, 2003)***. Additional copies of our transfer forms are enclosed. Please provide draft copies of these forms before they are finalized so we can ensure accuracy and completeness.

The reclamation surety bond amounts for the Lehi and Ekins East quarries (currently $387,900 and $327,200, respectively) are due for a standard 5-year escalation and reevaluation. The Division will need to conduct inspections of each site to evaluate the current conditions

against the approved permits, before we can calculate the escalated reclamation surety estimates. Please contact Lynn Kunzler or Doug Jensen of my staff at your earliest convenience to coordinate and schedule the appropriate inspections. Thank you for your assistance and cooperation in this regard. If you have any questions, please call me at (801) 538-5286.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure: Transfer LMO form
cc: Mary Ann Wright, OGM
Doug Jensen, DOGM
Lynn Kunzler, DOGM
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