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State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

August 27, 2015

Joe and Lynda Brown
31 North 100 West
Loa, Utah 84747

Subject: Reclamation Surety Required, Colored Rock Company, Flossie Mine, S/055/0028, Wayne County, Utah

Dear Mr. and Ms. Brown:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on August 17, 2015, is complete **with the exception of the reclamation bonding requirement.** The required reclamation surety is $30,800.00 for a three year escalation or $31,400.00 for a five year escalation. This was determined based on information in the following table.

Small Mine Operation (1-5 acres) Bond Calculation Worksheet
Flossie S/055/0028
3-year escalation (2018)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	$8,000.00	$8,000.00
Add'l Acres Disturbance	4	$5,000.00	$20,000.00
Additional Mob/demob >50 miles	1	$2,800.00	$2,800.00
TOTAL			**$30,800.00**

5-year escalation (2020)

Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	$8,200.00	$8,200.00
Add'l Acres Disturbance	4	$5,100.00	$20,400.00
Additional Mob/demob >50 miles	1	$2,800.00	$2,800.00
TOTAL			**$31,400.00**

Please submit the reclamation surety and reclamation contract within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

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UTAH DNR OIL, GAS & MINING

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 Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number S/023/0028.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: whw: eb
cc: John Blake, SITLA (jblake@utah.gov
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