

Attachment 3 - Closure, Post-Closure and Financial Assurance



SCOTT M. MATHESON
Governor

OIL, GAS, AND MINING BOARD

EDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

I. DANIEL STEWART
Chairman

CLEON B. FEIGHT
Director

CHARLES R. HENDERSON
JOHN L. BELL
THADIS W. BOX
C. RAY JUVELIN

October 2, 1978

Mr. Chuck Stillman
Kennecott Copper Corporation
P.O. Box 11299
Salt Lake City, Utah 84147

ACT/35/102

Re: Final Approval for
Kennecott Copper Corporation's
Mining and Reclamation Plan
Bingham Canyon Mine

Dear Mr. Stillman:

The Board of Oil, Gas, and Mining, at its September 28, 1978 executive meeting, approved your previously submitted surety contract for reclamation of the Bingham Canyon Mine.

Enclosed herewith is Kennecott's copy of the fully executed Mined Land Reclamation Contract. Therefore I hereby issue final approval to the Kennecott Copper Corporation's Bingham Canyon Mine to operate under the Utah Mined Land Reclamation Act.

Sincerely,

Cleon Feight
CLEON B. FEIGHT
DIRECTOR

CBF/sp
enc: Reclamation Contract

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re-type
copy + insert



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS, AND MINING
1588 WEST NORTH TEMPLE
SALT LAKE CITY, UTAH 84116

* MINED LAND RECLAMATION CONTRACT *

THIS CONTRACT, made and entered into this 28TH day of SEPTEMBER, 1978, between Kennecott Copper Corporation a corporation duly authorized and existing under and by virtue of the laws of State of Utah as party of the first part, and hereinafter called the Operator, and the BOARD OF OIL, GAS, AND MINING, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto.

WHEREAS, the Operator did on the Ninth day of August 1976, file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, U.C.A., 1953.

WHEREAS, the Operator is able and willing to reclaim the above mentioned, "lands affected" in accordance with the approved Mining and Reclamation Plan, the Mined Land Reclamation Act of 1975 and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the Staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, the financial status of the Operator and his capability of carrying out the planned work.

NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto

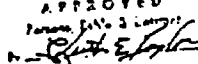
agree as follows:

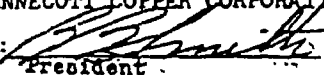
1. The Operator promises to reclaim the land affected in accordance with its Mining and Reclamation Plan which was approved by the Board on February 22, 1978, the Mined Land Reclamation Act, and the rules and regulations adopted in accordance therewith.
2. The Board, in lieu of accepting the posting of a bond or other surety, accepts the personal guarantee of the Operator to reclaim the land affected in accordance with its approved reclamation plan.
3. The Board and Operator both agree that the Operator will be obligated to expend a minimum average, excluding salaries, but not operating wages, of \$50,000 - 1978 dollars per year for each three (3) year period, in maintaining a program of experimentation and in the application of the best available technology toward rehabilitation of land associated with or affected by mining or processing operations.
4. The Board and Operator further agree that the annual expenditure as set forth in paragraph three (3) above, unless waived by the Board, will continue until mining as described in the notice of intention is permanently terminated, and that said annual expenditure will not constitute the fulfillment of the obligations of the Operator as to mined land reclamation. The Operator further agrees to waive the requirements for the fixed sum as surety as required in Section 40-8-14 (8), U.C.A., 1953.
5. The Operator agrees to provide to the Board and Division annually, a detailed report of reclamation work performed during the preceeding year, including a cost accounting for said reclamation work in 1978 dollars.
6. The Operator further agrees to work jointly with the Division in establishing annual reclamation plans for each forthcoming year. Said plan will be subject to the review of the Board. Consideration will be given to the annual report of the previous year in establishing such plans.
7. The Operator agrees to designate a responsible individual who is involved in the Operator's on-going reclamation efforts, who will serve as liaison to the Division.
8. This contract shall be binding on all successors and assigns, to the Operator.

IN WITNESS WHEREOF, the parties of the first and second parts, hereto have respectively set their hands and seals this 28 day of September, 1978

ATTEST:


Assistant Secretary

APPROVED
January 2, 1979


KENNECOTT COPPER CORPORATION
By: 
President
Its ~~Metal Mining Division~~

BOARD OF OIL, GAS, AND MINING

By: 
Chairman

Note: If the Operator is a corporation, the agreement should be executed by its duly authorized officer with the seal of the corporation affixed.

Closure Plan, Closure Schedule, Design of Final Cover, Capacity of Site, and Final Inspection

Closure of the BCM Used Tire Monofill will be engineered to meet all requirements of R315-302-3. Closure of the BCM Used Tire Monofill is consistent with the closure of the waste rock dumps addressed in documentation submitted to the Utah Division of Oil, Gas, and Mining (UDOGM) (See Appendix A).

IIf. Post-Closure Care Requirements for All Class III Landfills

Post-Closure Care Plan, Changes, Maintenance Activities, Office Contact

Post-closure care will meet all requirements of R315-302-3. Post-closure use will be consistent with present use, which is a waste rock dump. Post-closure care is consistent with the post-closure care of the waste rock dumps addressed in documentation submitted to the UDOGM (See

Appendix A).

Ilg. Financial Assurance Requirements for All Class III Landfills

Identification of Closure Costs

All closure costs and care will be integrated into the Bingham Mine M&RP Closure Plan under UDOGM M&RP M-035-0002.

Identification of Post-Closure Costs

All post-closure costs and care will be integrated into the Bingham Mine M&RP Closure Plan under UDOGM M&RP M-035-0002.

Identification of Financial Assurance Mechanism

Self-bonded with a Corporate Guarantee. Bonding for the waste rock dumps was waived by UDOGM in lieu of a company guarantee. Language from the Kennecott contract with UDOGM board reads: "The Board, in lieu of accepting the posting of a bond or other surety, accepts the personal guarantee of the operator to reclaim the land affected in accordance with its approved reclamation plan."