Rio Algom Mining Corp.

Marvin D. P. man 04008768820E Vice President

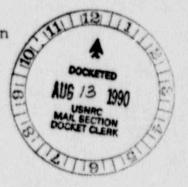
August 7, 1990

RETURN ORIGINAL TO POR, HQ.

Mr. Ramon Hall
U.S. Nuclear Regulatory Commission
Region JV
Uranium Recovery Field Office
P. O. Box 25325
Denver, Co. 80225

Re: License SUA-1387 Docket No. 40-8768 Wyoming O-Sand Pilot

Dear Mr. Hall:





Condition #23 of License SUA-1387 requires that we provide NRC an annual update on the reclamation bond estimate and include copies of surety-related correspondence with the State, copies of the State's Surety Review and copies of the final approved surety arrangement.

Rio Algom Mining Corp. (RAMC) submitted n updated bond estimate to the State April 20, 1990; however, we are still discussing some limited adjustments and do not expect to have a final State approved arount until October or November. When a final amount is approved we will submit the additional data to NRC.

RAMC currently has two (2) self-bond agreements with the State of Wyoming in the amount of \$109,000 and \$157,000. The 1990 proposed revisions to the Sate on these bonds are new bond amounts of \$6,200 and \$197,200 respectively. Attached are copies of the annual report cover letter to Wyoming DEQ, the Q-Sand and O-Sand pilot bond estimates, and copies of the current self-bond agreements with the State.

9010030222 900807 PDR ADDCK 04009768 C PNU

> MDF:jet Attachments: As stated CC: Lee May/Dale Alberts Bill Ferdinand File

O DESIGNATED ORIGINAL

Marvin D. Freeman Vice-President

Sincerely

adal Ings 90-0731

(105) New Ford World Suite 325, Oklahoma City, Oklahoma 73118 • (405) 848-1187 • FAX (405) 848-1208

Rio Algom Mining Corp.

Marvin D. Freeman Vice President

April 20, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Roger Shaffer
Wyoming Department of Env: ronmental quality
Land Quality Division
401 West 19th Street
Cheyenne, Wy. 82002

RE: Annual Reports

Permits 304C-R1, 5RD, 13RD

Dear Mr. Shaffer:

Enclosed are Rio Algom Mining Corp.'s annual Mining and Reclamation Reports for the annual report period ending March, 1990 for Permits 304C-R1, 5RD and 13RD.

Mining operations remained suspended during the past year at the Bill Smith Underground Mine. Reclamation of the open pit areas has been completed except for some minor repair and reestablishing vegetation. Solution mining operations continued at the "O" Sand project (Permit 13RD) during the report period.

Reclamation cost estimates for each project have been prepared and are attached to the respective reports. Reclamation bonds will be adjusted after DEQ review and approval of the new cost estimates.

Please call me if you have any questions.

Marvin D. Freeman

MDF: jet Enclosures:

CC: Bureau of Land Management Attn: Ed Coy 951 North Poplar Casper, Wy. 82601 Annual Mining and Reclamation Report March 26, 1990

TABLES C-1

RECLAMATION BOND ESTIMATE - 1990 O-SAND SOLUTION MINING PILOT

RECO	VFRY	PLANT FACILITIES \$ (000)
Α.	cont	aminated Piping Disposal	
	1.	Removal (3 man crew - 5 days @ \$11/hr.)	1.3
	2.	Load & Haul (1 truck Load @ \$1.5M/load)	1.5
	3.	Disposal Fee (1 load @ \$1M/load)	1.0
в.	Tank	age Decontamination and Removal	
	* 1.	Decontamination (10 man hr/tank x 15 tanks x \$11/hr)	1.7
	* 2.	Removal (3 man crew - 5 days @ \$11/hr)	1.3
	з.	Small Cherry Picker (20 hrs. 6 40/hr)	0.8
	4.	Survey for Tank Release (15 tanks @ \$50/hr)	0.8
	5.	Load and haul for resale value	-
c.	Pump	os, Filters, Meters, Etc.	
•	1.	Remove and decontaminate - 12 pumps (3 men - 2 days @ \$11/hr)	0.5
	2.	Remove miscellanecus pumps, filters (3 men - 2 days @ \$11/hr)	0.5
	3.	Load, haul and disposal (partial truckload)	2.0
D.	Deco	ontaminate Process Area	
	1.	Wash down 3600 sq. ft. area @ \$0.50/ft.2	1.8
	2.	Pump wash down to lined pond for evaporation	·
GROU	TAWDN	ER RESTORATION	\$ 13.2
Α.	A11	equipment including EDR on site	
	*See	attachment 1 for explanation of labor rates.	

Annual Mining and Reclamation Report March 26, 1990

11.	GROU	NDWAT	ER RESTORATION (Continued)	\$ (000)
	в.	Aqui	fer Restoration	
	•	1.	Oper. Labor (3 men - 160 hr./mo. x 12 mos. x \$13/hr.)	74.9
		2.	Chemicals & supplies - \$1,500/mc. x 12 mos.	18.0
		3.	Electrical power - (55 HP x 8640 hr./yr. x \$0.036/K	WH) 17.1
		4.	Maintenance (\$400/mo. x 12 mos.)	4.8
		5.	Sampling & monitoring (6 sets x 6 wells x \$140/samp	le) 5.1
	c.	Aqui	fer Stability Monitoring	
		1.	Sampling (12 man hrs./set x 6 sets x \$11/hr.)	0.9
		2.	Analysis (6 sets x 6 wells x \$140/sample	_5.1
			Sub-Total	\$ 125.9
III.	WELL	FIEL	D RECLAMATION	
	Α.	Head	er building removed (80 hrs. @ \$11/hr.)	0.9
٠	В.	Remo	ve power line, transformers, and other well field pment (120 hrs. @ \$20/hr.)	2.4
	c.	Plug	and cap 24 wells @ \$200/well	4.8
	D.	Remo	ve Contaminated Piping	13.2
	E.	Recla	aim Surface	
		1.	Rip & contour header site (Motor grader - 3 hours @ \$80/hr.)	0.2
		2.	Replace topsoil - 400 cy @ \$1/cy	0.4
		3.	Disc & seed for stubble (2 ac @ \$65/ac	0.1
		4.	Final seeding and fertilizer (2 ac \$150/ac)	0.3
		5.	Revegetation, Bond (2 ac @ \$200/ac)	0.4
			Sub-Total	\$ 22.7

^{* (}See attachment 1, for explanation of labor rates)

Annual Mining and Reclamation Report March 26, 1990

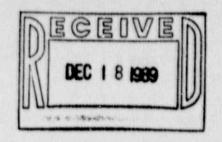
ıv.	EVA	PORATION POND RECLAMATION	\$ (000)
	۸.		
		1. Remove and Load Material (370 cu. yds. @ \$1.50/yd.)	0.6
		2. Haul to disposal site (10 loads @ \$1500/load)	15.0
		3. Disposal fee (lump sum @ \$10M)	10.0
	в.	Recontour Pond Site	
		1. Dozer (16 hrs. @ \$110/hr.)	1.8
		2. Motor Grader (8 hrs. @ \$80/hr.)	0.6
	c.	Reclaim Site	
		1. Survey Pond Area	0.3
		2. Remove fences	0.5
		3. Topsoil & seed (included in 304	C Permit)
		Sub-To	ta) \$ 28.8
v.	OVE	RHEAD & MANAGEMENT	
	(69	Of Items I-IV - \$161.8M)	9.7
VI.	CONT	FINGENCY	
	(15	Of Items I-V - \$171.5M)	25.7
	TOTA	AL RECLAMATION ESTIMATE	\$197.2

Annual Mining and Reclamation Report March 26, 1990

TABLE 5 RECLAMATION BOND ESTIMATE DEQ LQD LICENSE 5RD

				\$	(000)
1.	Recl	amat:	on - Surface & Well Plugging		
	a.	Head	der building removal (60 hours @ \$11/hr.)	\$	0.7
	ь.	Remo	ove transformers and cables (20 hrs. @ \$20/hr.)	0.4
	c.	Plug	and cap wells - 10 wells x \$200/well		2.0
	d.	Cap	wells and cutoff below surface (16 wells @ \$50/well)		0.8
	e.	Recl	aim Surface		
		1)	Rip hard-pack - grader - 1 hr. @ \$80/hr.		0.1
		2)	Replace topsoil - 100 c.y. x \$1/c.y.		0.1
		3)	Disc and seed for stubble - 1 acre @ \$65/acre		0.1
		4)	Final seeding & fertilizer - 1 acre @ \$150/acre		0.2
		5)	Mobilization	_	0.5
			Sub-Total	\$	4.9
11.	Bond	Prov	vision for Reseeding		0.5
111.	DEQ	Conti	ngency (15%)		0.8
			GRAND TOTAL	\$	6.2





Department of Environmental Quality

Herschler Building • 122 West 25th Street • Cheyenne, Wyoming 82002

Administration (307) 777-7937

GOVERNOR

Air Quality Division (307) 777-7391

Lanr' Justity Division (307) 777-7756 FAX (307) 634-0799

Solid Waste Management Program (307) 777-7752

Water Quality Division (307) 777-7781

December 14, 1989

Mr. Marvin Freeman Rio Algom Mining Corporation 6305 Waterford Blvd., Suite 325 Oklahoma City, OK 73118

RE: Approval of Transfer & Bond for PT 304C, TFN 2 1/137 & 2 1/136 Approval of Transfer & Bond for 13RD, TFN 2 3/137 & 2 4/136 Approval of Transfer & Bond for 5RD. TFN 2 2/137 & 2 3/136

Dear Mr. Freeman:

With the recommendation of Patrick Baumann, Sr. Environmental Specialist, District I, your pending transfers referenced above have been approved effective this date. The three self-bonds (SBNC-050, SBNC-049, & SBNC-048 respectively) have been accepted to cover the reclamation costs associated with permit and R&D licenses. Copies of your approved applications, license to mine, and bonds are enclosed.

As of this date the following bonds are released of liability:

Safeco Bond No. 2971100-2347 - \$109.100.00 Safeco Bond No. 2971100-2331 - \$157,000.00 Self-Bond No. SBNC-013 ----- \$902.300.00

The original executions of SBNC-013 and 2971100-2331 are enclosed with Kerr McGee's copy of this letter. The Safeco bond may be presented to the surety for cancellation. A cancelled copy is retained in our files. correspondence file for 5RD is missing. This file contained the Safeco Bond No. 2971100-2347. The bond is released of liability, but we are unable to return the original to Kerr McGee. No further mining or research and development activity may take place by Kerr McGee under Permit no. 304C, 5RD, or 13RD.

Mr. Marvin Freeman Rio Algom Mining Corporation Page 2

If you should have any questions, please feel free to contact the District I office in Cheyenne.

Sincerely,

loger Shaffer

Land Quality Division

Dennis Hemmer

Director

Dept. of Environmental Quality

DH:RS:PJ:jh
Enclosure
co: District I
Safeco Insurance Co.

Kerr McGee - w/encl.

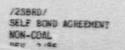
CERTIFIED MAIL NO. 73809

Department of Environmental Quality Land Quality Division Herschler Building, 3rd Floor 122 West 25th Street Cheyenne, WY 82002

SELF BOND AGREEMENT

	NON-COAL HINERALS
License No.	- <u>1380</u>
Bond No	SBW-049
	KNOW ALL MEN BY THESE PRESENTS, THAT
RIO ALG	OM MINING CORP., A DELAWARE CORPORATION
	(State Name and Form of Business Organization)
of OKLAHOM	선생들에서 얼마하는 경우를 내려가면 성상하게 하셨다면서 보는 경우 하게 되었다. 그는 나는 그 모든 모든 것이다.
authorized	to do business in the State of H
	One Hundred Fifty-Seven Thousand and Re/100
(\$157,00	0.00). lawful money of the United States, the State of Myoming upon order of forfeiture by the Environmental Quality the navment of which
Whereas Research & amendment(s	the payment of which sum, well and truly to be made, we hereby jointly a pland ourselves, our heirs, executors, administrators, successors, and assigns. In the Department of Environmental Quality, Land Quality Division, loss Development Licens Number 13RD and dated May 14, 1984, and numbered
Principal.	pursuant to the application of t
Whereas	, check one of the following:
	(1)(0)(0)(1)
\-',	This is an original agreement,
(6) _	This is an agreement in addition to previous bonding agreement(s) f the above mentioned permit to mine and which agreement(s) remain(s) full force and effect.
(c) _	X This is a replacement agreement for:
1. Bo	nd Number 2971100-2331 Principal Kerr-McGee Corporation
	rety SAFECO Dated April 2, 1984
2. Вог	nd NumberFrincipal
	rety Dated
igreement,	, the Principal has completed an initial application for self bonding and greement which are incorporated herein and made a part of this Self Bo
iffected by the date of	, said bonding agreement(s) shall cover any and all land affected or to the mining operation under the above mentioned permit and amendment(s), sin issuance of the primit, upon the following described land, as given with

NEWSWit and WanniesEt Section 26, T36N, R74W (60 acres)



compared to the compared and the new to

Said principal herein agrees that this obligation shall be non-cancellable and that the liability hereunder is for the duration of the above specified mining and reclamation operations and continues thereafter for a period coincident with the principal's responsibility for the establishment of revegetation on the affected areas pursuant to the requirements of the Myoming Environmental Quality Act and the applicable Land Quality Division rules and regulations promulgated thereunder, EXCEPT THAT the obligation herein may be cancelled where bond acceptable to the Administrator of the Land Quality Division has been submitted to replace this obligation.

the principal herein Surther understands and agrees that the procedures for the adjustment of the amount under this bond are opecified in Artic. 4 of the Wyoming Environmental Quality Act and applicable Land Quality Division regulations; that procedures governing the release of all or part of this bond are specified in W.S. 25-11-423 and Land Quality Division regulations, and that the procedures for the forfeiture of this bond are specified in W.S. 35-11-421.

NUW, THEREFORE, the conditions of this obligation are that if the said principal herein shall comply with the terms and conditions of said permit and amendments thereto, and the provisions of and obligations imposed by the Wyoming Environmental Quality Act and any amendments thereto, and with Land Quality Division regulations and any amendments thereto, then the release of this obligation shall proceed as specified in MTG. 35 th 425 and Land Quality Division regulations.

The principal herein further agrees that this bond is por 1 to leave the permittee's performance upon all acres contained in the above permit. Upon bond forfeiture pursuant to W.S. 35-11-421, all bond or bonds which continue to be held by the Department of Environmental Quality, Land Quality Division for all bonding within the above permit may be forfeited and the forfeited bond or bonds may be used by the Department of Environmental Quality, Land Quality Division to complete the reclamation plan or a modified plan for any or all acres in the above permit and to cover associated

The principal herein further agrees and understands that this self bond carries with it the right for successive yearly renewals as long as all information required by Land Quality Division regulations, Chanter XII, for Self Bond renewal is submitted in a timely manner to the Land Quality Division and demonstrates the permittee remains qualified. The failure by the principal to file timely renewals shall in no manner impinge upon or prejudice the rights held by the State of Myoming under this Agreement. Further this agreement remains in full force and effect until replaced or substituted in accordance with the requirements of the Myoming Environmental Quality Act and the regulations promulgated thereunder.

The principal herein further agrees and understands that this self bond may continue while the principal or its parent quarantor qualify under the regulations. The principal must notify the Administrator immediately at any time it or its guarantor no longer meet the limitation of Land Quality Rules and Regulations at Chapter XII, Section 2.(a)(x111) or the criteria specified at Chapter XII, Section 2.(a)(viii).

The principal horein further agrees and understands that the Administrator of the Land Quality Division may require a substitution of this self bond by good and corporate surety licensed to do business in the State of Wyoming if the Administrator determines in writing that the self bond falls to provide the protection consistent with the objectives and purposes of the Act.

/2SCRD/ SELF BOND AGREEMENT NON-COAL REV. 3/65 Page 2 of 3

In witness whereof, we, the said parties, have set our hands and seals.

	PHINCIPA	i.		
BY: Robert P. Luke	29th day of Octo	ber	_, 19_89_:	
TITLE: President				
State of Oklahoma)			
County of Oklahoma)ss.			
ALL APPLICABLE CORPORA	TE ACKNOWLEDGEMENTS	ARE ATTACH	ED HEREYO AS	PART OF TH
The foregoing instrumen				<u>e</u>
	, this _20 :	tay or Octo	ber	19.89
Witness my hand and official		Puelle or ot	her authorized	officer)
	My Commis	ssion Expires:	maren 19.	1993
Resident Agent By pricera	N SYSTEM ACENT FO	Date: 10	(24/8) OF	O.A.
C T Corpora	tion System	Address:	720 Carey Av	enue ming 82001
Approved as to form and execu				
Joseph R. Men	tion:			
Attorney Gene	ral			
BY: Ad U. El		Date: Dans	1 17 10	00
Assistant (00	_ nace:	inter 12,19	27
APPROVED: Administrator, Lan	d Quality Division	Date: 12	-14-89	
	2			

/2SBRD/ SELF BOND AGREEMENT NON-COAL REV. 3/65 Page 3 of 3



NON-COAL SELF BONDING INDEMNITY AGREEMENT

License No. 13RD			* 5 an
Self Bond No. SBNC-049			(Sa 3)
and RIO ALCOM MINING CORP.	indemnitee, (hereinaft., A DELAWARE CORPORATI	UN	he "Departme t"),
duly authorized to do bu referred to as the "Operato	usiness in the State or"); WITNESSET		tor, (hereInafter
WHEREAS, Operator ha compilance with provisions rules and regulations pro- Development License No. 1	of Wyoming Statutes, S mulgated thereunder. In	artment an application Section 35-11-417(d), an a connection with Open	a une what and the
WHEREAS, Operator pres of Wyoming Statutes, Sect promulgated thereunder;	sents this agreement for tion 35-11-417(d), as	r the purpose of meeting amended, and the rule	g the requirements and regulations
WHEREAS, Operator has Department;	satisfied the self bon	ding requirements and c	riteria set by he
WHEREAS, Operator de associated with its self bo	sires to indemnify thood NoSBNC-049	he Department from all	l loss and costs
WHEREAS, Operator ha incorporation, its article Agreement;	s the full authority es of incorporation as	under the laws of	
WHEREAS, Operator has Indemnity Agreement;	full approval from it	s Board of Directors t	o enter into this
WHEREAS, it is in the its purposes and business,	e best interests of Ope to enter into this ind	erator, in the legitima emnity Agreement;	ite furtherance of
	of numerical to the U		

ant to the Wyoming E. Ironmental Quality Act, has the legal authority to administer the bonding requirements for mine operations in the State of Hyoming.

NOW THEREFORE, effective upon the execution of this agreement by both parties, for value received, and in consideration of the approval and execution of self bond, number SBNC-049 , it's agreed by and between the Operator and the Department as follows:

- 1. Operator, their successors and assigns, jointly and severally do hereby covenant and agree to indemnify the Department of, from and against any and all demand. liabilities, charges, costs and expenses of whatsoever kind or nature, which the Department may sustain or incur by reason of or in consequence of the failure by the Operator to faithfully perform all the requirements of the Wyoming Environmental Quality Act and any amendments thereto and Land Quality Division regulations and any amendments thereto as it applies to mining operations under the aforesaid Research & Development License No. 1380 and the mining and reclamation plans approved therewith. With the exception of litigation costs as referenced in paragraph VI, Operator's liability hereunder shall not exceed the principal amount set forth in Operator's self bond, bond no. SBNC-049
- 11. Upon this agreement becoming effective, the Department shall deliver and execute, as necessary, to Operator any and all documents and forms needed to allow Operator to release any existing bonds, letters of credit, certificates of deposit, cash or government securities that are being replaced by this self bond and self bonding indemnity Agreement.
- III. This indemnity agreement is continuing and is to be in full force and effect until all of the terms of the operator's self bond have been satisfactorily performed on the otherwise diadharged to the satisfaction of the State of Myoming.
- IV. Operator hereby fully consents and agrees that any of the following shall not affect nor change or discharge the obligations of this indemnity agreement: /SBRDINDEM/ SELF BOND AGREEMENT REV. 3/85, 5/88 NO TEXT CHG.

1. Any renewals, amendments, modifications or riders to the terms of the self bout, number SRNC-049 , including increases or decreases in the dollar amount of the bond, or the lands to which it applies, in accordance with the requirements of the Environmental Quality Act and the rules and regulations promulgated thereunder.

2. Any extension of time for performance of the whole or any part of the

conditions of the self bond, number SBNC-049

3. Any changes, amendments, or modifications to the terms of the license. number 13RD including the mining and reclamation plans contained therein. 4. The acceptance by the State of Myoming of any collateral of any kind to further secure the self bond number SBNC-049

W. If in the Department's opinion Operator has violated the Myoming Environmental Quality Act as it applies to the mining operations under said Research & Development License No. 13RD , the Department may institute bond forfeiture proceedings against Operator in accordance with the forfeiture proceedings set forth in the Myomine Environmental Quality Act, W.S. 35-11-421, as amended (1981).

In the event an order of forfeiture is entered by the Wyoming Environmental Quality Counsel against Operator as a result of such bond forfeiture proceedings requiring the forfeiture of all or any part of the self-bond, the Department may mail to Operator written demand for payment of the amount of the self-bond which was so ordered forfeited and Operator shall pay such amount in full to the Department, in immediately available federal funds, within three (3) business days after receipt of such demand. Payment to the Department shall be made to such bank account as the Department shall specify in the demand notice to Operator. If any such order is vacated, reversed, or otherwise made unenforcable by court or acainistrative agency of competent jurisdiction, any amount previously paid to the Department by operator hereunder shall be refunded to Operator in full within three (3) business days after receipt by the Department of a certified copy of the ruling, order or other action by such court or administrative agency. Any refund to Operator by the Department shall be in immediately available forms and shall be made to such bank account as Operator may specify in writing to the Department.

VI. In the event the Department Initiates, pursues or is account into I digation, as a result of attempts to enforce bonding requirements, the Operator agrees to pay all litigation costs incurred by the State in any successful effort to enforce this agreement against the Operator with respect to the operation or activity for which this agreement is made. This agreement pertains to all costs reasonably connected to the litigation costs and all administrative costs reasonably incurred in the course of enforcing or in preparation to enforce the rules and regulations for self-bonding against the Oper- or with respect to the operation or activity for which this agreement is made. Liability for payment of litigation costs shall not be limited by the principal amount of the Operator's self bond. Operator agrees that vouchers or other proper evidence showing payment shall be conclusive evidence of the fact and amount of liability of such costs.

VII. This agreement shall be deemed terminated in whole or in part; (a) when and as the Department certifies in writing to the Operator that Operator has successfully completed as required by the Environmental Quality Act the mining and reclamation activities pursuant to Research & Development No. 13RD which this agreement is posted; or (b) when and as the Department certifies in writing to the Operator that the Operator has provided an acceptable corporate surety bond, letter of credit or other security complying with W.S. 35-11-4.8 in substitution for this agreement; or (c) when the Department otherwise authorizes release of this agreement in whole or in part to the Operator pursuant to the Environmental Quality Act and the rules and regulations promulgated thereunder.

Operator shall have the right at any time to post a corporate surety bond, letter of credit or other securities complying with W.S. 35-11-418 with the Department in substitution for and release of all or part of this agreement. Operator shall notify the Department in writing of any such substitution, and the Department shall notify the Operator in writing of the acceptability of any such substitution. Said substitution shall not be valid and effective until the Department certifies in writing as such.

- VIII. There are no conditions or limitations to this indemnity agreement except those contained herein at the date hereo", and thereafter no alteration, change or modification hereof shall be binding or effective unless executed in writing, signed by the Operator, and approved by the administrator of the Land Quality Division.
- IX. Operator agrees to pay all costs and expenses incurred by the Department which are expended in any successful action instituted to enforce the terms of this indemnity agreement. The stay was a supply of the
 - X. This indemnity agreement shall be good and effective notwithstanding any change or changes in the business name of the Operator.

/SBRDINDEM/ SELF BOND ACREEMENT REV. 3/85, 5/88 NO TEXT CHG.

Operator or the terms of license number Operator from this indemnity agreement.	13RD shall act as a release of the
Wil. All notices required to, or rarelyed by the addressee at the address	which may be given shall be effective when uses specified below.
1. For the Operator:	Marvin D. Freeman Rio Algom Mining Corp. 6305 Waterford Blvd., Ste. 325 Oklahoma City, Ok. 73118
XIII. In case of the insolvency, funds represented by the self bond shall XIV. The failure of any person on the release or affect the liability of the subject to the laws of the State of	I have the same effect as notice given by mail. tified. bankruptcy or dissolution of the Operator, all immediately become due and payable. r persons to sign this indemnity agreement shall Operator. a Wyoming contract and shall be construed under Wyoming. th the application for self-bonding applicable to
of the parties hereto with respect to in XVII. EXECUTION BY THE OPERATOR:	
THE STATE OF OKIGHOMA COUNTY OF OKIGHOMA The foregoing Instrument was day of October	acknowledged, subscribed and sworn to before me
My Complesion Expires: March 19.19 XVIII. CORPORATE ACKNOWLEDGEMENTS:	PATD BACKET
/SBRDINDEM/ SELF BOND AGREEMENT	

/SBRDINDEM/ SELF BOND AGREEMENT REV. 3/85, 5/88 NO TEXT CHG. XIX. EXECUTION BY CUALANTORS:

			SUARANTOR	
			W:	
			Y:	
ATTEST:				
THE STATE O)		
COUNTY OF)35.		
this	The foregoing 1	nstrument wa	acknowledged, subscribed and as	orn to before m
	_ day of		_, 19	
ty Comptent	on Expires:		OTARY PUBLIC	
**.	CORPORATE ACKNO		(0)	2000
			rein as Exhibit B.	ווש\ש
XXI.	AFPROVED AS TO			an n
Joseph E	Meyer	BY: An	D. L. Date December Attorney General	1 12 1900
ttormey Ger	neral /	Adsis	ant Attorney General	mer 12, 1187
	EXECUTION BY THE			
nis <u>/4*</u>	The foregoing in day of Accies	ostrument was	acknowledged, subscribed and swind 1981. ATE OF WYOMING PARTMENT OF SWIROMMENTAL OUNE! Diractor Sheffy Administrator	TY .
E STATE OF	The foregoing in day of Acces	strument was	PARTMENT OF SWIRCHMENTAL QUARTE Disagger Shaffe	TY .
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IE STATE OF LA	The foregoing in day of Access HAMIE The foregoing in day of Access Witness my hand i))SS.)strument was	Director Shaffe	Y

CERTIFICATE

I, JACK MORRISON, hereby certify that I am the duly elected, qualified and acting Assistant Secretary of Rio Algom Mining Corp., a Delaware corporation.

I further certify that Robert P. Luke is the duly elected and qualified President of the Corporation and that Marvin D. Freeman is the duly elected Vice-President of the Corporation and each is fully empowered to execute for and on behalf the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation the 20th day of October , 1989.

Jack Morrison

Assistant Secretary

py

State of Wyoming
Department of Environmental Quality
Land Quality Division
Herschler Building, 3rd Floor
122 West 25th Street
Cheyenne, WY 82002

SELF BOND AGREEMENT

NON-COAL MINERALS

License	io. <u>SRD</u>
Bond No.	SBNC-048
	KNOW ALL HEN BY THES.' PRESENTS, THAT
RIO	ALGOM MINING CORP., A DELAWARE CORPORATI 'N
	(State Name and Form of Busivess Organization)
	AHOMA CITY , OKLAHOMA being dul
authoriz unto the	nd to do business in the State of Wyoming, us principal, is held and firmly boun State of Wyoming in the sum ofOne Hund ed Nine Thousand, One Hundred
Council severall	to the State of Wyoming upon order of forf iture by the Environmental Quality for the payment of which sum, well and truly to be made, we hereby jointly any bind ourselves, our heirs, executors, administrators, successors, and assigns. Tas, the Department of Environmental Quality, Land Quality Division, issue
amendmen dated	4 Development Licens Number SED and dated August 28, 1980 , an
Principa	
	eas, check one of the following: This is an original agreement,
(a)	This is an original agreement, U(1)
(b)	This is an agreement in addition to previous bonding agreement(s) for the above mentioned permit to mine and which agreement(s) remain(s) is full force and effect.
(c)	X This is a replacement agreement for:
1.	Bond Number 2971100-2247 Principal Kerr-McGee Corporation
	Suret, SAFECO Dated September 7, 1984
2.	Bond NumberPrincipal
	Suratu Dated

Whereas, the Principal has completed an initial application for self bonding and an Indemnity Agreement which are incorporated herein and made a part of this Self Bond Agreement,

Whereas, said bonding agreement(s) shall cover any and all land affected or to be affected by the mining operation under the above mentioned permit and amendment(s), since the date of issuance of the permit, upon the following described land, as given within said permit and amendment(s),

SEA New Section 36, T36N, R74W (40 acres)



Said principal herein agrees that this obligation shall be non-cancellable and that the liability hereunder is for the duration of the above specified mining and reclamation operations and continues thereafter for a period coincident with the principal's responsibility for the establishment of revegetation on the affected areas pursuant to the requirements of the Myosing Environmental Quality Act and the applicable Land Quality Division rules and regulations promuigated there and a PKCEPT THAT the obligation herein may be cancelled where bond acceptable to the Administrator of the Land Quality Division has been submitted to replace this obligation.

The principal herein furth it understands and agrees that the procedures for the adjustment of the amount under this bond are specified in Article 4 of the Myoming Environmental Quality Act and applicable Land Quality Division regulations; that procedures governing the release of all or part of this bond are specified in W.S. 35-11-423 and Land Quality Division regulations, and that the procedures for the forfeiture of this bond are specified in W.S. 35-11-421.

NOW, THEREFORE, the conditions of this obligation are that if the said principal birein shall comply with the terms and conditions of said permit and amendments thereto, and the provisions of and obligations imposed by the Myoming Environmental Quality Act and any amendments thereto, and with Land Quality Division regulations and any amendments thereto, then the release of this obligation shall proceed as appetited in W.S. 35-1-423 and Land Quality Division regulations.

The principal herein further agrees that this bond is posted to insure the permittee's performance upon all acres contained in the above permit. Upon bond forfeiture pursuant to M.S. 35-11-421, all bond or bonds which continue to be held by the Department of Environmental Quality, Land Quality Division for all bonding within the above permit may be forfeited and the forfeited bond or bonds may be used by the Department of Environmental Quality, Land Quality Division to complete the reclamation plan or a modified plan for any or all acres in the above permit and to cover associated administrative expenses.

The principal herein further agrees and understands that this self bond carries with it the right for successive yearly renewals as long as all information required by Land Quality Division regulations, Chapter XII, for Self Bond renewal is subsitted in a timely manner to the Land Quality Division and demonstrates the permittee remains qualified. The failure by the principal to file timely renewals shall in no manner impinge upon corpeludice the rights held by the State of Wyoming under this Agreement. Further this agreement remains in full force and effect until replaced or substituted in accordance with the requirements of the Wyoming Environmental Quality Act and the regulations promulgated thereunder.

The principal herein further agrees and understands that this self bond may continue while the principal or its parent quaranter qualify under the regulations. The principal cost notify the Administrator immediately at any time it or its guaranter no longer meet the limitation of Land Quality Rules and Regulations at Chapter XII, Section 2.(a)(xiii) or the criteria specified at Chapter XII, Section 2.(a)(viii).

The principal herein further agrees and understands that the Administrator of the Land Quality Division may require a substitution of this self bond by good and corporate surety licensed to do business in the State of Wyoming if the Administrator determines in writing that the self bond fails to provide the protection consistent with the objectives and purposes of the Act.



Mary 4 45	SBNC-048	
MORE NO.	SMILL-DAG	

In witness whereof, we, the said parties, have set our hands and seals.

PRINCIPAL
Signed and executed this 20th day of October , 19 89 : BY: Cofeet P. Luke Robert P. Luke TITLE: President
State of Oklahoma)SS. County of Oklahoma)
ALL APPLICABLE CORPO 4TE ACKNOWLEDGEMENTS ARE ATTACHED HERETO AS PART OF THI
The foregoing instrument was acknowledged before me by Robert P. L. Ye. , this 25 day of October . 19 89 .
tness my hand and official seal.
GOPY Commission Expires March 19, 1992
cr composation SYSTEMENT FOR SERVICE sident Agent: By: Texas Dece: 10/24/89 Wyoking (Regardsceletive
C T Corporation System Address: 1720 Carey Rvenue (Printed Name) Cheyenne, Wyoming 82001
Joseph B. Meyer Attornes: beneral Date: Jecenter 12, 1989

Administrator, Land Quality Division



Date: 12-14-89

NON-COAL SELF BONDING INDEMNITY AGREEMENT

		126
cense No	SRD	a see to
If Bond No.	SBNC-048	S. C.

Talls AGREEMENT OF INDEMNITY, by and between the State of Wyoming, Department of Environmental Quality, as indemnitee, (hereinafter referred to as the "Department"), and RIO ALGOM MINING CORP., A DELAWARE CORPORATION duly authorized to do business in the State of Wyoming as Indemnitor, (hereinafter referred to as the "Operator"); WITNESSETH

WHEREAS, Operator has filed with the Department an application to self-bond in compliance with provisions of Wyoming Statutes, Section 35-11-417(d), as amended, and the rules and regulations promulgated thereunder, in connection with Operator's Research & Development License No. 58D

WHEREAS. Operator presents this agreement for the purpose of meeting the requirements of Myoming Statutes, Section 35-11-417(d), as amended, and the rules and regulations promulgated thereunder;

WHEREAS, Operator has satisfied the self bonding requirements and criteria set by the Department;

WHEREAS. Operator desires to indemnify the all loss and costs associated with its self bond No. SBNC-048

the laws of the State of its WHEREAS, Operator has the full authority & incorporation, its articles of incorporation and bylaws to enter into this Indemnity Agreement;

WHEREAS, Operator has full approval from its Board of Directors to enter into this Incomnity Agreement;

WHEREAS, it is in the best interests of Operator, in the legitimate furtherance of its purposes and business, to enter into this Indemnity Agreement;

WHEREAS, the Department, pursuant to the Wyoming Environmental Quality Act, has the legal authority to administer the bonding requirements for mine operations in the State of Wyoming.

NOW THEREFORE, effective upon the execution of this agreement by both parties, for value received, and in consideration of the approval and execution of self bond, , it's agreed by and between the Operator and the Department as follows:

- 1. Operator, their successors and assigns, jointly, severally do hereby covenant and agree to indemnify the Department of, from and against any and all demands, liabilities, charges, costs and expenses of whatsoever kind or nature, which the Department may sustain or incur by reason of or in consequence of the failure by the Operator to faithfully perform all the requirements of the Wyoming Environmental Quality Act and any amendments thereto and Land Quality Division regulations and any amendments thereto as it applies to mining operations under the aforesaid Research & Development and the mining and reclamation plans License No. approved therewith. With the exception of litigation costs as referenced in paragraph VI. Operator's liability hereunder shall not exceed the principal amount set forth in Operator's self bond, bond no. SBNC-048
- 11. Upon this agreement becoming effective, the Department shall deliver and execute, as necessary, to Operator any and all documents and forms needed to allow Operator to release any existing bonds, letters of credit, certificates of deposit, cash or government securities that are being replaced by this self bond and self bonding indemnity agreement.
- 111. This indemnity agreement is continuing and is to be in full force and effect. until 11 of the term of the operator's self bond have been settefactorily performed for otherwise discharged to the satisfaction of the State of Wyoming.

19 Charather humany fully consents and across that any of the following shall not

1. Any renewals, amendments, modification, or riders to the terms of the self bond, number $\frac{SBNC-048}{}$, including increases or decreases in the dollar amount of the bond, or the lands to which it applies, in accordance with the requirements of the Environmental Quality Act and the rules and regulations promulgated thereunder.

2. Any extension of time for performance of the whole or any part of the

conditions of the self bond, number SBNC-048

3. Any changes, amendments, or modifications to the terms of the license, number 5RD including the mining and reclamation plans contained therein.

4. The acceptance by the State of Myoming of any collateral of any

kind to further secure the self bond number SBNC-048

V. If in the Department's opinion Operator has violated the Wyoming Environmental Quality Act as it applies to the mining operations under said Research & Development License No. SRD the Department may institute bond fo feiture proceedings against Operator in accordance with the forfeiture proceedings set forth in the Wyoming Environmental Quality Act, W.S. 35-11-421, as amended (1981).

In the Ovent an order of forfeiture is entered by the Wyoming Environmental Quality Counsel against Operator as a result of such bond forfeiture proceedings requiring the forfeiture of all or any part of the self-bond, the Department may mail to Operator written demand for payment of the mount of the self-bond which was so ordered forfeited and Operator shall pay such amount in full to the Department, in immediately available federal funds, within three (3) business days after receipt of such demand. Payment to the Department shall be made to such bank account as the Department shall specify in the demand notice to Operator. If any such order is vacated, reversed, or otherwise made unenforcable by court or administrative agency of competent jurisdiction, any amount previously paid to the Department by operator hereunder shall be refunded to Operator in full within three (3) business days after receipt by the Department of a certified copy of the ruling, order or other action by such court or the Department. Any refund to Operator by the Department shall be in immediated the Department.

- VI. In the event the Department initiates, pursues or is brought into litigation, as a result of attempts to enforce bonding requirements, the Operator agrees to pay all litigation costs incurred by the State in any successful effort to enforce this agreement against the Operator with respect to the operation or activity for which this agreement is made. This agreement pertains to all costs reasonably connected to the litigation costs and all administrative costs reasonably incurred in the course of enforcing or in preparation to enforce the rules and regulations for self-bonding against the Operator with respect to the operation or activity for which this agreement is made. Liability for payment of litigation costs shall not be limited by the principal amount of the Operator's self bond. Operator agrees that vouchers or other proper evidence showing payment shall be conclusive evidence of the fact and amount of liability of such costs.
- VII. This agreement shall be deemed terminated 'n whole or in part; (a) when and as the Department certifies in writing to the Operator that Operator has successfully completed as required by the Environmental Quality Act the mining and reclamation activities persuant to Research & Development No. SRD , for which this agreement is posted; or (b) when and as the Department certifies in writing to the Operator that the Operator has provided an acceptable corporate surety bond, letter of credit or other security complying with W.S. 35-11-418 in substitution for this agreement; or (c) when the Department otherwise authorizes release of this agreement in whole or in part to the Operator pursuant to the Environmental Quality Act and the rules and regulations promulgated thereunder.

Operator shall have the right at any time to post a corporate surety bond, letter of credit or other securities complying with W.S. 35-11-418 with the Department in substitution for and release of all or part of this agreement. Operator shall notify the Department in writing of any such substitution, and the Department shall notify the Operator in writing of the acceptability of any such substitution. Said substitution shall not be valid and effective until the Department certifies in writing as such.

- VIII. There are no conditions or limitations to this indemnity agreement except those contained herein at the date hereof, and thereafter no alteration, change or modification hereof shall be binding or effective unless executed in writing, signed by the Operator, and approved by the administrator of the Land Quality Division.
- IN. Operator agrees to pay all costs and expenses incurred by the Department which are expended in any successful action instituted to enforce the terms of instituted the enforce the terms of instituted the enforce the terms of instituted the enforce the en
 - I. This indemnity agreement shall be good and effective notwith standing one

	Seif Bond No. SBNC-048
XI. No changes, amendments, modifi Operator or the terms of license number Operator from this indemnity agreement.	Lations or renewals to the self bond of the SRD shall act as a release of the
XII. All motioes required to, or wh received by the addressee at the addresses	nich may be given shall be effective when specified below.
1. For the Operator:	Marvin D. Freeman Rio Algom Mining Corp. 6305 Waterford Blvd., Ste. 325 Oklahoma Caty, Ok. 73118
2. For the Department:	
Department of Environments Land Quality Division Herschler Building, 3rd Fi 122 West 25th Street Cheyenne, WY 82002	
Notices given by mail shall be sent certif	fied.
Mill. In case of the insolvency, bar funds represented by the self bond shall	nkruptcy or dissolution of the Operator, all immediately become due and payable.
XIV. The failure of any person or not release or affect the liability of Ope	persons to sign this indemnity agreement shall erator.
MV. This indemnity agreement is a and subject to the laws of the State of by	Wyoming contract and shall be construed under yoming.
RVI. This agreement, together with Research & Development License No. 5RD of the parties hereto with respect to Ind	the application for self-bonding applicable to contains the entire agreement
	TO ALSO NO THE OWN TO ALL THE OWN TO
OP	ERATOR
ВУ	Robert P. Luke, President
ВУ	Man Fruma
ATTEST:	Marvid D. Freeman, Vice-President
Rest R. Marrison	Contract of the Contract of th
THE STATE OF OKlahoma)	() () () () ()
COUNTY OF OKlahoma.	Con St.
The foregoing instrument was	acknowledged, subscribed and sworn to before me

My Commission Expires: MAKE IG 1992-

XVIII. CORPORATE ACKNOWLEDGEMENTS:

w. . Attabled and Incorporated herein as Exhibit 4. who we for any of the

	Self Bond No. SBNC-948
XIX. EXECUTION BY GUARANTORS:	
	GUARANTOR
	87:
	87:
ATTEST:	
在西部市市市民族共和国	00
THE STATE OF)	COPY
COUNTY OF)SS.	WUT I
The foregoing instrument	was acknowledged, subscribed and sworn to before me
this day of	
	NOTARY PUBLIC
My Commission Expires:	
XX. CORPORATE ACKNOWLEDGEMENT	S:
Attached and incorporated	herein as 'abibit B.
MMI. APPROVED AS TO FORM AND E	yecurion;
Joseph B. Meyer BY:	Istant Attorney General
Attorney General Ass	Istant Attorney General
XXII. EXECUTION BY THE DEPARTME	NT.
this 14 day of December	was acknowledged, subscribed and sworn to before me
	STATE OF WYOMING
	DEPARTMENT OF ENVIRONMENTAL OGALITY
	Director Minis Alpho
	Director de la companya del companya del companya de la companya d
	BY: Kape Inother
	Administrator
THE STATE OF)	
COUNTY OF LARAMIE)	
this foregoing instrument day of December	was acknowledged, subscribed and sworn to before me
Witness my hand and offic	ial seal.
	- 14.1
	NOTARY PUBLIC
ty Commission Expires: 6/23/91	/ "
	STA O ZOCI ZE BA
economic action which is	A STATE OF THE PARTY NAMED AND ASSESSMENT OF THE PARTY OF
	may a sold a

CERTIFICATE

COPY

I, JACK MOPRISON, hereby certify that I am the duly elected, qualified and acting Assistant Secretary of Rio Algom Mining Corp., a Delaware corporation.

I further certify that Robert P. Luke is the duly elected and qualified President of the Corporation and that Marvin D. Freeman is the duly elected Vice-President of the Corporation and each is fully empowered to execute for and o' behalf of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation the 20th day of October , 1989.

Jack Morrison

Assistant Secretary

