



June 13, 2022

Memo to the File

RE: Western Slope Flagstone Quarry No. 2, File No. M-1996-076 , SI-4, SI-5 and SI-6, Adjustment of Financial Warranty and Stipulated Settlement Agreement

Chronology Summary:

On August 21, 2019 The Division of Reclamation, Mining and Safety (Division) staff presented several enforcement items at the MLRB's meeting. Board Order MV-2019-023 (Order) resulted in several corrective actions. Corrective Action #3 was to accept the Divisions financial warranty calculations which resulted in a Surety Increase (SI-4) to be issued in the amount of \$172,184, for a total bond amount of \$260,435 to be held by the Division.

Ultimately the Operator appealed the Order in District Court and subsequently the Division appealed the District Court's Order in the Court of Appeals, which resulted in the signing of two Stipulated Settlement Agreements. A stipulated Settlement agreement ("agreement") was agreed on by the Division of Reclamation, Mining and Safety, Mined Land Reclamation Board, and Rudolph Fontanari ("Fontanari") on October 14, 2021. The agreement, in part, required the Operator (Fontanari) to: 1) submit an additional \$75,000 in financial warranty immediately and 2) conduct reclamation to decrease overall site liability (specifically relating to removing irrigation impacted features).

On May 19, 2022, Division staff inspected the site for the purposes of determining the required financial warranty on site. The Division determined the total bond amount should be \$234,840.

Revision Summary:

SI-4 was administratively terminated on June 3, 2022. The bond amount held by the Division remained at \$88,251.

SI-5 was issued to track the additional bond amount of the \$75,000 relating to the settlement agreement involving Permit No. 1996-076. The bond amount for Permit No. M-1966-076 is \$163,251.

SI-6 accounts for the remaining financial warranty necessary to cover current site liability based on the May 19, 2022 inspection. The Division inspected the site on May 19, 2022, and calculated a total bond amount of \$234,840 for Permit No. 1996-076. The amount of bond held in Permit No. M-1996-076 is deficient by \$71,589 (the difference between \$234,840 and \$163,251).

If you require additional information, or have questions or concerns, please feel free to contact me.

Sincerely,

Amy C Yeldell
Environmental Protection Specialist

