

7-16-83

HOLME ROBERTS & OWEN

ATTORNEYS AT LAW

1700 BROADWAY
DENVER, COLORADO 80290
TELEPHONE (303) 861-7000
TELEX 45-4460

102 NORTH CASCADE AVENUE
COLORADO SPRINGS, CO. 80903
TELEPHONE (303) 473-3800

50 SOUTH MAIN STREET
SALT LAKE CITY, UT. 84144
TELEPHONE (801) 521-5800

MAR 29 1983
GARFIELD CO. PLANNING

March 28, 1983

Mr. Earl Rhodes
Garfield County Attorney
Post Office Box 640
Glenwood Springs, Colorado 81602

Re: Development Engineering, Inc.
Special Use Permit

Dear Earl:

On November 29, 1982, the Board of County Commissioners for Garfield County, Colorado ("County"), authorized a special use permit (the "Permit") to be issued to Development Engineering, Inc. ("DEI") permitting processing of natural resources, specifically, an oil shale retort facility and accessory industrial support facilities, including a waste disposal site, on DEI's new research facility (the "Research Facility") located adjacent to the Department of Energy's ("DOE") Anvil Points Facility.

The Permit was authorized subject to certain conditions, one of which is the following: "[DEI] shall demonstrate access to the site, and also make a contribution of \$5,000 to any necessary road improvements, and participate in maintenance activities and costs for the road (a verbal agreement of access must be demonstrated within twenty days of this resolution and a written agreement must be submitted within 120 days)." This condition was imposed because at the County Commissioners' meeting regarding the Permit on November 29, 1982, the issue was raised that DEI may not have access to its Research Facility because the existing road providing access to such property from Interstate 70 (the "Road") is owned by the DOE. DEI took the position that it had not been denied use of the road by the DOE and DOE representatives at the meeting said nothing to contradict DEI's position. DEI acknowledged the lack of a formalized access agreement and agreed to obtain a written access agreement from the DOE. The purpose of this letter is to chronicle DEI's numerous and repeated attempts to obtain a written access agreement from the DOE. Due to the shifting currents of jurisdiction and charges at personnel within the DOE, DEI has not yet been successful.

Mr. Earl Rhodes
March 28, 1983
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On the day following the County Commissioners meeting on the Permit, November 30, 1982, two DEI representatives (Ed Cooley and myself) travelled to DOE's offices at the Laramie Energy Technology Center ("LETC") in Laramie, Wyoming to meet with various DOE officials about access. You also attended that meeting on behalf of the County because the County desires to enter into an agreement with DOE concerning the use of the Road. At that meeting, DOE officials assured DEI and the County that the DOE had no intention of barring either DEI or the County access to the road but that any written access agreement would have to be reviewed by Warren Tryon, on the DOE's general counsel staff in the Oakland, California office. At the conclusion of that meeting, you told me that DEI had demonstrated a verbal agreement of access with the DOE to your satisfaction and you informed the County Commissioners of DEI's compliance with that condition of the Permit.

Immediately after that meeting, I prepared a draft of an access agreement which I forwarded to Mr. Tryon. I met with Mr. Tryon on December 2, 1982. Mr. Tryon and I reviewed the agreement and made several changes. At that time, Mr. Tryon stated that, pursuant to his orders from the DOE in Washington, any access agreement would have to be revocable at DOE's will. Mr. Tryon revised the agreement and mailed it to me. On December 13, 1982, I telephoned Mr. Tryon to discuss the revised access agreement. At the time, the DOE was negotiating with a potential new occupant for Anvil Points. Mr. Tryon stated that the DOE was reluctant to consider a long-term access agreement until negotiations with the prospective new occupant had been completed. (Negotiations were subsequently terminated). Mr. Tryon stated that DEI and the DOE could probably enter into a 30-day cancellable access agreement.

On December 16, 1982, DEI received a letter from Jim Watson, acting director of LETC, stating that the DOE Procurement Office and the Deputy Assistance Secretary for Fossil Energy in the DOE had instructed him that negotiations on the access agreement should be suspended until various other issues outstanding between DEI and the DOE had been settled.

On December 21, 1982, Richard Justis, Contracting Officer at LETC, reported that the access matter had been removed from LETC's jurisdiction and he did not know whom DEI should contact.

Mr. Earl Rhodes
March 28, 1983
Page 3

Also on December 21, 1982, DEI contacted Mr. Tryon. He reported that DOE hadn't determined what branch of the agency would have jurisdiction over Anvil Points matters: the Office of Fossil Energy, the Office of Naval Petroleum Reserves or the Real Estate Office. Mr. Tryon said no permanent access agreement could be executed until the jurisdictional issue was resolved. Contrary to his previous statement, he said that DOE officials in Washington probably would not agree to a short-term access agreement.

Also on December 21, 1982, a DEI representative telephoned Jim Watson at LETC. He suggested that we contact Deputy Assistant Secretary Donald Bauer at the Office of Fossil Energy and indicated that LETC would not take steps to deny DEI access to its Research Facility.

On December 30, 1982, Paul Smith of this firm spoke to Deputy Assistant Secretary Bauer. He indicated that a DOE procurement officer in Washington, Steve Mournighan, would be in charge of Anvil Points matters. Mr. Mournighan, when contacted, indicated that all Anvil Points matters had been turned over to Mr. Tryon in Oakland.

On January 10, 1983, Paul Smith wrote a letter to Mr. Tryon acknowledging the DOE's desire to negotiate access concurrently with various other outstanding issues between DEI, Paraho Development Corporation and DOE and that the matter had been transferred to Mr. Tryon's hands. The letter indicated DEI's desire to obtain a prompt resolution of all matters.

On January 13, 1983, I spoke to you by phone. I informed you that we had not yet executed an agreement but were negotiating with DOE.

On January 17, 1983, Paul Smith spoke with Mr. Tryon, who reported that Joann Littlehales, a Contracting Officer in the DOE's Oakland office, would be negotiating access and other matters. Mr. Tryon also reported that DOE was considering transferring responsibility for Anvil Points matters from the Office of Fossil Energy to the Office of Naval Petroleum Reserves, but that there had been no final decision.

On January 31, 1983, Paul Smith again spoke with Mr. Tryon. Mr. Tryon stated that he was still waiting for guidance from Washington and that it therefore was premature to discuss matters with DEI. Mr. Tryon suggested that DEI could probably obtain a temporary access permit on fairly short notice while the negotiations were pending.

Mr. Earl Rhodes
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During the first several days of February, 1983, Mr. Ed Cooley of DEI attempted to contact Joann Littlehales to set up a meeting to discuss the outstanding DEI-DOE matters, including the access agreement. He contacted her on February 11, 1983 and subsequently sent her a letter summarizing the outstanding issues and indicating his desire to resolve the access issue.

On February 25, 1983, Paul Smith called Mr. Tryon to inquire about obtaining a temporary access permit. Mr. Tryon indicated that he did not think DEI could obtain one. He further indicated that he did not know whether the Office of Fossil Energy or the Office of Naval Petroleum Reserves had authority over Anvil Points matters. Mr. Tryon suggested that we call Ms. Egger, who is in the DOE General Counsel's Office in Washington and represents the Office of Naval Petroleum Reserves.

On February 28, 1983, Paul Smith spoke with Ms. Egger. She stated that the DOE's Oakland office would be responsible for negotiating an access agreement.

On March 17, 1983, Ed Cooley and Paul Smith met with Joann Littlehales and others at the DOE's Oakland offices. Ms. Littlehales informed DEI that there would be a delay in obtaining a formal access agreement until various outstanding issues were resolved. It was acknowledged by both sides that DEI will continue to have access to the Research Facility over the Road until an agreement is executed.

DEI's position has been and remains that it has demonstrated adequate access to its Research Facility because there is an implicit understanding among all concerned that DEI will continue to have access to its site via the Road, which DEI has used continuously and maintained for the past ten years. In fact, DEI has been removing snow from the Road this winter as necessary.

DEI intends to continue to use its best efforts to obtain a written access agreement from the DOE as soon as possible. The 120 day limit set forth in the County Commissioner's resolution authorizing the Permit expired on March 22, 1983. DEI would like to request an extension of time in which to obtain a written access agreement from the DOE and requests that this issue be addressed with the County Commissioners on April 11, 1983. At that time, DEI

Mr. Earl Rhodes
March 28, 1983
Page 5

will also request issuance of a special use permit from the County authorizing DEI to commence oil shale retorting operations at its Research Facility.

Very truly yours,

Helena A. Suchecky

Helena A. Suchecky

cc: Terry Bowman, Garfield County Planning Department
F. Edward Cooley, Development Engineering, Inc.
Robert N. Heistand, Development Engineering, Inc.
Paul E. Smith, Esq.

GARFIELD COUNTY
COUNTY ATTORNEY'S OFFICE

P.O. Box 640

Glenwood Springs, Colorado 81602-0640

Phone 945-9158

*File
Development Engr. Inc
Paraho
SUP*

MEMORANDUM

TO: Leonard Bowlby, Supervisor
Road and Bridge Department

FROM: Earl G. Rhodes *ER*
Garfield County Attorney

DATE: January 5, 1983

SUBJECT: Status of County Use of County Road 246 (Anvil Points Road)

Pursuant to approval from the Board on December 5, 1982, I sent to Richard Jiacoletti, Assistant Director for the Laramie Energy Research Testing Facility, a proposed use agreement for County Road 246, which, as you know, is access to the new County landfill site. On January 3, 1983, Dr. Jiacoletti called me. He stated that the status of the agreement is as follows:

It has received approval from his attorney in San Francisco and has been forwarded to Washington for necessary signatures. There is a problem in Washington, which as yet, is undefined. This problem is presently holding up the Government's signing of the document. He hopes to be back in touch with me later this week or next week as to what this problem is. I informed Dr. Jiacoletti that we are presently making use of the landfill site, and thus, the public had access to County Road 246. Although he did not have the authority to give approval for this use, he said it was understandable what the County was doing.

As an incidental matter, the road use agreement for Paraho has not been approved either.

I will keep you advised of my progress in this matter.

/sr

cc: Stan Broome, Garfield County Manager
Board of County Commissioners of Garfield County
Terry Bowman, Garfield County Planner ✓



PARAHO DEVELOPMENT CORPORATION

October 12, 1982

Dennis Stranger, Director
Garfield County Planning Department
2014 Blake Street
Glenwood Springs, CO 81601

Dear Mr. Stranger:

Enclosed is a completed application for a Special Use Permit for Paraho Pilot Plant research that we discussed in your office last Friday. Included are:

- (1.) Authorization letter from W. F. Clough
- (2.) Special Use Permit and Public Notice
- (3.) Impact Statement
- (4.) Check for \$500.00 (Five Hundred Dollars)

Please contact me if you have any questions.

Sincerely,

R. N. Heistand

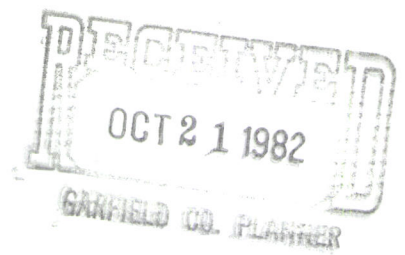
RNH:Ks

cc: F. E. Cooley

enclosures



PARAHO DEVELOPMENT CORPORATION



October 19, 1982

Dennis A. Stranger
County Planning Director
2014 Blake Avenue
Glenwood Springs, CO 81601

Dennis:

The access road to the property Development Engineering, Inc., has leased from W. F. Clough has been in use since the 1940's. This road is constructed on an easement through property owned by W. F. Clough between highway 6 and 24 and the Anvil Points Oil Shale Research Center. The property involved in the special use permit application is dissected by this existing road.

The existing road has been used for access to W. F. Clough's property in the Anvil Points area since it was constructed in the 1940's.

The road has been used as a public road during the past 30-plus years by the Garfield County School District RE2 school buses, by the U.S. mail, and by the general public.

The road is designated Garfield County road #246, but has been maintained by Development Engineering, Inc., since 1972. Development Engineering will continue to maintain certain parts of the road for its own access to the property it has leased on both sides of this road.

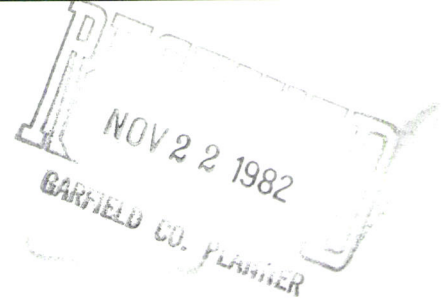
Ed Cooley
Vice President of Operations

EC:ks

cc: Robert N. Heistand-Paraho
Helena A. Suchecky-Holme, Roberts, & Owen



PARAHO DEVELOPMENT CORPORATION



November 18, 1982

Mr. Dennis A. Stranger
Garfield County Planning
Director
2014 Blake Avenue
Glenwood Springs, CO 81601

Dear Mr. Stranger:

Enclosed is a copy of the Reclamation Plan for the planned Paraho pilot plant research operations near Anvil Points. This enclosure includes the following: introduction; description of tasks; schedule; and costs.

Mr. Cooley is prepared to discuss the details with you and suggest means that Paraho can guarantee implementation of the Reclamation Plan. Should you require additional information, please let me know.

Sincerely,

R. N. Heistand
Vice President,
Environmental Affairs

RH:ks

cc: F. E. Cooley, Paraho
G. D. McCutchen, Colorado Dept. of Health, APCD
H. A. Suchecky, Holme Roberts & Owen
K. L. Waesche, Colorado Dept. of Health, WMD

RECLAMATION PLAN

PARAHO PILOT PLANT RESEARCH OPERATIONS

INTRODUCTION

The operations proposed by Parhao, would consist of contract research for various clients on the site leased adjacent to Anvil Points. During the ten year lease, it is anticipated that as much as 38,000 tons of retorted shale would be produced. Although it is likely that the client would require the retorted shale be removed from the lease site for additional research studies, the reclamation plan is based upon above-ground disposal of the entire 38,000 tons of retorted shale on the lease site.

Although the reclamation of the proposed retorted shale disposal site is the primary concern of the reclamation tasks, the reclamation plan addresses restoration of all areas disturbed by the pilot plant research operations on the lease site. These proposed research operations have been described in Paraho's permit and zoning applications to the Colorado Department of Health and Garfield County.

The Reclamation Plan is described in detail under the headings DESCRIPTION OF TASKS, SCHEDULE, and COST. The tasks, listed in the permits consist of the following:

- Dismantlement of structures and foundations;
- Removal of materials, fuel, oil tanks, and equipment;
- Secure disposal pile and drainage diversion structures for long term stability;
- Placement, compaction and contouring of soil cover on exposed areas;
- Revegetation of disturbed and exposed areas
- Monitoring of vegetation, groundwater, and surface water for at least three years.

As discussed under Schedule and Costs, it is anticipated that the reclamation will require three to four years to complete and about \$25,000 in 1982 dollars.

DESCRIPTION OF TASKS

Reclamation activities would begin near the end of the lease period. With no additional extensions, this should occur during 1992. Reclamation activities will be directed towards reclaiming the lease site to conditions as it existed at the start of the lease.

After reclamation, the property would then revert back to its original uses: limited graying by sheep, cattle, and wild-life; access for Anvil Points oil shale mining and research activities; natural gas exploration and development.

The tasks involved in reclamation include the following: removal of structures, destruction of cement pads and foundations; preparation (compaction) of the retorted shale disposal area; placing soil cover on all exposed areas; revegetating; protect drainage, diversion, and evaporation systems; monitoring.

Removal of Structures. This task includes the dismantlement of all equipment and buildings and the removal of the dismantled parts, tanks and drums, supplies and stores, and mobile equipment not needed for reclamation work. The materials and equipment, removed from the lease site, will be available for reuse or sale as scrap material.

Destruction of Cement Pads and Foundations. All cement pads and foundations, used to support buildings and equipment (such as the retort) during operations or to protect the temporary storage piles will be completely broken into small (one foot or less) chunks. These broken chunks may be used as rip-rap covering for

RECLAMATION PLAN

Page 3

the disposal pile or maybe left in place, covered with soil and revegetated.

Retorted Shale Disposal. Near the termination of retorting operations, the retorted shale stored in the center of the storage area under light compaction, along with retorted shale available from the last year's operations would be removed to the edges of the disposal area. There it will be placed in 10-12 inch drifts, 6-10 feet wide, moistened with optimum water, and subjected to heavy compactive effort. Based upon earlier research field studies (Heistand and Holtz, "Retorted Shale Research Studies", 13th Oil Shale Symposium, 1979), this will create a stable, strong, impervious perimeter around the shale disposal site. This work will be completed during research operations, before reclamation work is begun.

Assuming all the retorted shale produced during the ten-year contract research operations were stored on the above-ground, on-site area, the site would cover the planned 200 foot by 240 foot area to a height of about 20 feet. This is considerably less high than the hills and ridges which surround the site on three sides, thus visibility impacts could be minimal. On the average, the bulk density would be 90 pcf (pounds per cubic foot). Sides would approximate natural slopes for canyons and mesas in the area - a 1.5:1.0 slope. Since the sides, especially the south facing slope, will not support vegetation, a rock rip-rap facing will be considered for cover.

Soil Cover. Based upon available surficial soils from local borrow areas, as much as two feet of soil cover will be placed on top of the retorted shale area and other disturbed areas. This surficial soil cover will be contoured and compacted to approximate existing terrain conditions.

RECLAMATION PLAN

Page 4

Revegetation. Revegetation of exposed areas will be carried out to produce ground cover that approximates that found on similar sites in the region. Based upon a soils analysis, adequate fertilizers and mulches will be applied to support revegetation of native species. Revegetation will be done in the fall with a single application of water at that time. Although native species of grasses and shrubs will predominate, special, salt-tolerant species may also be used. Final treatment of the retorted shale disposal area, soil cover, and revegetation will follow guidelines of the Colorado Mined Land Reclamation Board. Special advisors, such as experts on the staff of Colorado State University and Garfield County Agricultural Office, will be consulted regarding final revegetation.

Control Systems. The drainage, diversion, and evaporation systems now in place on the lease site will be utilized to protect the reclaimed site from erosion caused by runoff surface water and to protect regional surface water from possible contamination from the disposal site. Drainage and diversion systems will be enlarged, widened, and protected by rip-rap where necessary to assure long term stability.

Monitoring. A monitoring program is planned to last at least three calendar years after revegetation work has been completed. It is anticipated that the monitoring program would consist of performing the following tasks on an annual basis:

- (1) Vegetation - catalog and identify species; measure plant density using quadrants or transects; monitor plant growth, stability and health.

RECLAMATION PLAN

Page 5

- (2) Water - continue monitoring water in alluvial wells and ponds for these parameters: depth of water, pH, and electrical conductivity.

- (3) Others - examine surfaces of disposal area and control systems for evidence of erosion; monitor disposal area for temperatures and moisture content at the surface and selected depths within the pile.

Results of this program will be reviewed annually to determine the need, if any, of additional reclamation work or extension or modifications of the monitoring program.

SCHEDULE

Reclamation activities will be started after the cessation of the retorting research operations. It is presumed that, with the exception of monitoring, this work would be completed during the fall quarter. All planned activities would be complete within 38 months after the termination of the retorting operations.

A general concept of the planned reclamation work is shown in Figure 1. Structures will be removed in a 30-day period ending November 1. Destruction of cement pads will follow ending about one week later. Preparation of the retorted shale disposal area will be carried out during the latter stages of operations and will be complete by early October. Soil cover will be placed on exposed areas from mid-October to mid-November. Revegetation will follow and should be complete by late November. Work on the control systems will be carried out concurrently with the other tasks and should be complete by December. Monitoring will be carried out annually for at least three years during the spring quarter (mid-April to mid-July). The status of the reclamation will be reviewed annually at the end of each calendar year. It is assumed that the reclamation will be complete at that time.

1992 1993 1994 1995

Sept Oct Nov Dec Jan-March April May June July Aug-Nov Dec Jan-March April May June July Aug-Nov Dec Jan-March April May June July Aug-Nov Dec

1. Removal of Structures



2. Destruction of Pads & Foundations



3. Preparation of Disposal Area



4. Soil Cover



5. Revegetation



6. Control Systems



7. Monitoring



8. Status



COSTS

		<u>Cost \$</u>
1. Dismantlement of retort, hoppers, conveyors sampling and weighting stations, oil and fuel tanks, lab and control room, shop.		None*
2. Removal of shale oil storage tanks, fuel oil tanks, mobile equipment, and spare parts.		None*
3. Cement foundations, pads, or floors for retort, lab, control room, shop, fuel oil and shale oil storage tanks to be torn out and broken up.	(200 Man-Hours)	3,200(1)
4. Cement pads for temporary stockpiles of raw and retorted shale (ripped and broken).	(100 Man-Hours)	1,600
5. Soil cover (up to two feet thick) for retorted shale disposal pile and areas of retort, lab, shop and tankage. (Placement, compaction and contouring).		11,200(2)
6. Protect drainage and diversions from long term degradation and secure disposal pile for long term stability.		1,600
7. Revegetation of disposal pil and other exposed areas. (Hydroseeding, mulching, fertilizing and irrigation.)		3,000
8. Monitoring for three years of surface and ground water and vegetation. (Labor cost plus equipment plus lab analyses.)	(200 Man-Hours)	3,200
9. Contingency		<u>1,550(3)</u>
	TOTAL	25,350

-
- * Reissue and shalvage value exceeds dismantlement and removal costs.
- (1) Items #4, #4, and #8 are based on man-hours @ \$16/man-hour.
- (2) Items #5, #6, and #7 are based on cost estimates for the Paraho-Ute reclamation plan @ \$7,900/acre. The total of items #5, #6, and #7 equals \$15,800 (2 x \$7,900).
- (3) Contingency equals 25% of revegetation and monitoring costs in case seeding efforts prove unsuccessful, berms are washed out, or other erosion controls fail.

EX. 6

STATE OF COLORADO

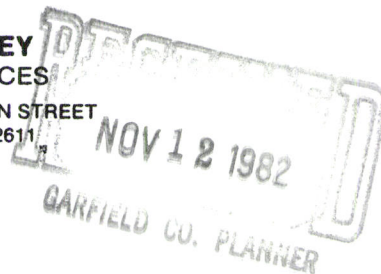


RICHARD D. LAMM
GOVERNOR

JOHN W. ROLD
DIRECTOR

**COLORADO GEOLOGICAL SURVEY
DEPARTMENT OF NATURAL RESOURCES**

715 STATE CENTENNIAL BUILDING — 1313 SHERMAN STREET
DENVER, COLORADO 80203 PHONE (303) 866-2611



November 9, 1982

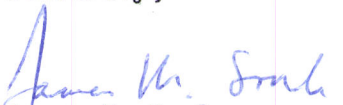
Mr. Terry L. Bowman
Garfield County Planning Department
2014 Blake Avenue
Glenwood Springs, CO 81610

RE: PARAHO OIL SHALE FACILITY RELOCATION

Dear Ms. Bowman:

We have received and reviewed the materials for this proposal and it seems entirely feasible from a geotechnical standpoint. Therefore, we have no geology-related objection to its approval.

Sincerely,


James M. Soule
Engineering Geologist

vt

cc: LUC

EX. I



Richard D. Lamm
Governor

DEPARTMENT OF NATURAL RESOURCES
D. Monte Pascoe, Executive Director

MINED LAND RECLAMATION DIVISION
DAVID C. SHELTON Director



November 4, 1982

Mr. Dennis A. Stranger
Garfield County Planning Director
2014 Blake Avenue
Glenwood Springs, Colorado 81601

Re: Paraho Development Corporation
Proposal

Dear Mr. Stranger:

We received a copy of the Special Use Permit Application for Paraho Development Corporation concerning the relocation construction and operation of the Paraho pilot plant. I have had several discussions with the Paraho personnel regarding this activity, and concluded that because there is no mining activity being performed by Paraho, or specifically related to this project, it does not fall under the jurisdiction of the Colorado Mined Land Reclamation Act of 1976.

We are clearly interested and concerned by the spent shale disposal which they propose in the area. I understand from Mr. Robert N. Heistand of Paraho that they will be conducting some research on the behavior of the spent shale. If you, or the company, desire specific technical advice on the spent shale disposal, I would be pleased to make staff time available for such assistance. If you need further information at this time please do not hesitate to contact me.

Sincerely,

David C. Shelton
Director

DCS/mab

cc: J. McArdle, MLRD

EX. H

CITY of RIFLE

November 3, 1982

Terry Bowman
Garfield County Planning Department
2014 Blake Avenue
Glenwood Springs, CO 81601

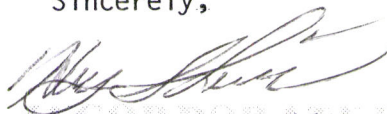
Dear Terry:

The City of Rifle has reviewed the Paraho Special Use Permit and has no objections.

Because the facility will be adjacent to the Anvil Points project and because of the small scale of the operation the City sees no significant detrimental effect resulting from this request.

In addition this use is in keeping with established uses in the immediate area.

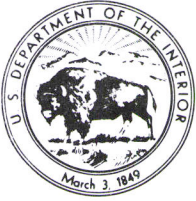
Sincerely,



Henry Trolard-Skinner
City Planner

lk

EX. E

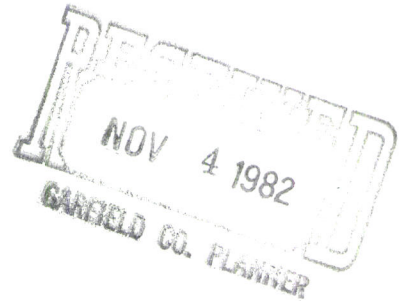


United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Glenwood Springs Resource Area
P.O. Box 1009
Glenwood Springs, Colorado 81602

IN REPLY
REFER TO:
7-162
1786

November 3, 1982



Ms. Terry Bowman
Garfield County Planning Department
2014 Blake Avenue
Glenwood Springs, CO. 81601

Dear Ms. Bowman:

This is in reference to your letter of October 21, 1982 requesting our review and comment on the Parahoe Oil Shale Facility Relocation.

The Environmental Assessment should be clarified to indicate that the project area is visible from I-70.

The recently approved new Garfield County landfill should be recognized in the property values section. The landfill may also have implications on the traffic analysis section.

Reclamation standards for the old facility are not identified. The need for reclamation of the old area should be analyzed prior to complete abandonment of the site.

I have no other concerns about the proposed relocation. I appreciate the opportunity to review the proposal.

Sincerely,

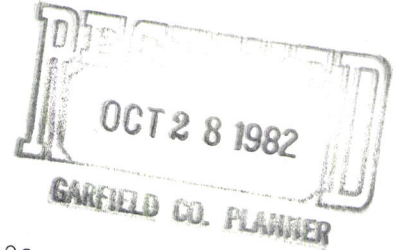
Dave Atkins
Lands and Minerals Staff Leader

EX. F



Public Service Company of Colorado

P.O. Box 152
Rifle, Co 81650

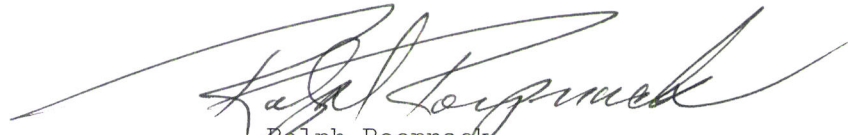


October 27, 1982

Garfield County Planning Department
2014 Blake Ave.
Glenwood Springs, Co 81601

Dear Sir:

Public Service Company has no objection to the Paraho Oil Shale Facility Relocation.



Ralph Roepnack
Supervisor of Engineering

RR/lb

EX. 5

GARFIELD COUNTY
ENVIRONMENTAL HEALTH DEPARTMENT

GLENWOOD SPRINGS, COLORADO 81601

2014 BLAKE AVENUE

MEMO

PHONE 945-2339

TO: Terry Bowman
Garfield County Planner

FROM: Ed Feld *EF*
Garfield County Sanitarian

DATE: October 27, 1982

SUBJECT: Paraho Development Special Use Permit

As per your request for comment on the above referenced subject, please be advised this office has no objection to the use of portable toilets and bottled drinking water provided the former means is maintained in a sanitary manner and the latter is obtained from an approved source.

Should Paraho decide to construct a "septic system" a permit will be necessary as well as an engineered design which meets the requirements of the Garfield County Individual Sewage Disposal Systems Regulations.

EX. R.

No. 52
Doc. #154362

In the District Court of the
United States for the District
Court of Colorado

Filed United States District Court
Denver, Colorado
June 19, 1945.

11743

G. Walter Bowman, Clerk.

The United States of America,
Petitioner

vs.

DECREE ON
DECLARATION OF TAKING

33.83 acres of land, more or less,
situate in the County of Garfield,
State of Colorado; State of Colorado;
State of Colorado and the
Inheritance Tax Commissioner there-
of; Board of County Commissioners'
of Garfield County, Colorado, a
quasi-municipal corporation; Treas-
urer of Garfield County, Colorado;
L. W. Clough; Annie Esche; and their
successors; assigns, conservators
and spouses, if any there be; and
the above persons, if living or if
deceased, their heirs at law,
devisees, legatees, executors,
and administrators, if any; all
unknown persons who claim any
interest in and to the subject matter
of this action,

Respondents.

This cause, coming on to be heard on this, the 19th day of June, A. D., 1945 the Petitioner, the United States of America, appearing by Thomas J. Morrissey, United States Attorney for the District of Colorado, upon the petition in Condemnation filed herein and the Declaration of Taking filed therewith, praying that a decree be forthwith entered herein adjudicating that title to perpetual easements for the construction, operation and maintenance of roadways, sewer systems, water intake systems, pipe lines, telephone and telegraph lines, electric power lines, together with the rights of ingress and egress thereto and therefrom over, under, upon and across the lands as described in Schedule "A", attached hereto and made a part hereof by reference, and the subject matter of this action, be vested in the United States of America, and that said lands and interests therein described be deemed to be condemned and taken for the use of the United States of America. And it appearing to the Court, and the Court so finding;

I

That the Petitioner, the United States of America, has filed its Petition in Condemnation praying that certain lands described therein, situate in the County of Garfield, Colorado, be condemned for its use in connection with the construction, operation, and maintenances of Petitioner's Oil Shale Demonstration Plant at Rifle, Colorado, and for such other uses as may be authorized by Congress or by Executive Order.

II

That the Petitioner has filed with its Petition in Condemnation a Declaration of Taking signed by Michael W. Straus, Assistant Secretary of the Interior of the United States of America, acting as such, who is the authority empowered by law to acquire lands and interests therein described in the said Petition in Condemnation and Declaration of Taking, declaring that said lands are taken for the use of the United States of America.

III

That said Declaration of Taking contain:

1. A statement by Michael W. Straus, Assistant Secretary of the Interior of the United States of America, that the authority under which the said lands are taken is under and in accordance with the Act of Congress, approved February 26, 1931 (46 Stat. 1421. 40 U. S. C. Sec. 258 (a) et seq.) and an Act of Congress

(continued)

cc. #154362
con't.)

approved April 5, 1944 (Public Law 290, 78th Cong. 2d Sess.), and an Act of Congress approved August 1, 1898, an Act of Congress approved July 2, 1917 (40 Stat. 241, 40 Stat. 518, 50 U.S.C. Sec. 171), and Acts of Congress supplementary thereto and amendatory thereof;

2. A description of the lands taken sufficient for the identification thereof.
3. A statement that the estate and interest in said lands taken for said public uses are perpetual easements for the construction, operation and maintenance of roadways, sewer systems, water intake systems, pipe lines, telephone and telegraph lines, electric power lines, together with the rights of ingress and egress thereto and therefrom, over, under, upon and across the lands as described in Schedule "A", attached hereto and made a part hereof by reference.
4. A plan showing the lands taken.
5. A statement by the said Michael W. Straus, Petitioner's Assistant Secretary of War, acting in said capacity, that he has ascertained the amount of just compensation for the taking of said lands and interests therein, which amount is set forth in said Schedule "A", and that said amount is a sum of Nine Hundred Eight-seven Dollars and Fifty-cents (\$987.50).

IV.

That the said sum of \$987.50 has been deposited with the Clerk of this Court for the use of the persons entitled thereto.

WHEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

That by the filing of the Petition in Condemnation and Declaration of Taking, and deposit in this Court for the use the persons entitled thereto of the said amount of estimated compensation stated in said Declaration of Taking title to perpetual easements for the construction, operation and maintenance of roadways, sewer systems, water intake systems, pipe lines, telephone and telegraph lines, electric power lines, together with the rights of ingress and egress thereto and therefrom, over, under, upon and across the lands as described in Schedule "A", attached hereto and made a part hereof by reference, became and hereby was condemned and taken for the use of the United States of America.

11

That the right to just compensation for the taking of said lands became and there was vested in the persons entitled thereto, and that the Court expressly reserves jurisdiction of this cause to issue process and enter all necessary orders to bring all of the owners of and persons interested in said lands before the Court, and to appoint the Commissioners to appraise and fix the value of said lands and the amount of compensation which the owners and persons interested therein are entitled to for its said appropriation.

Done in open Court on the day and year first above written.

J. Foster Symes, District Judge.

SCHEDULE "A"

UNIT 1

INTER ALIA:

PARCEL "C", a right of way strip 100 ft. wide in the NE $\frac{1}{4}$ Sec. 29, and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 20, all in T. 6 S., R. 94 W., 6th P.M., Colorado.

The center line of said right of way strip is described as follows:

Beginning at a point on the northerly right of way line of U. S. Highway No. 24 said point being a distance of 2,125.5 ft. S. 89°15' W. along the S. line of Sec. 20, T. 6 S., R. 94 W., and 1,703.0 ft. S. 36°10' E. of the NE corner of Sec. 29, T. 6 S., R. 94 W., thence proceeding in a northwesterly direction N. 36°10' W. for a distance of 2,608.4 ft. (sta. 0+30.6 to Sta. 26+39.0) to a point of intersection and terminating on the West line of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 20, T. 6 S., R. 94 W., said point of intersection being a distance of 738.1 ft. N. 0°38' W. from the SW corner of the SE $\frac{1}{4}$ Sec. 20, T. 6 S., R. 94 W., containing 5.99 acres, more or less, and is to be used for the construction, operation and maintenance of a road, water-lines, power and telephone lines.

(continued)

UNIT 11

A right of way 100 ft. wide in the $E\frac{1}{2}SW\frac{1}{4}$, Sec. 20, T. 6 S., R. 94 W., 6th P. M., Colorado, the center line of which is described as follows:

Beginning at a point on the east line of the $E\frac{1}{2}SW\frac{1}{4}$ Sec. 20, T. 6 S., R. 94 W., said point being a distance of 738.1 ft. N. $0^{\circ}38' W.$ of the SE corner of the $SW\frac{1}{4}$ Sec. 20, T. 6 S., R. 94 W., thence proceeding in a Northwesterly direction N. $36^{\circ}10' W.$ for a distance of 2,161.0 (Sta. 26 \pm 39.0 to sta. 48 \pm 00.0) to a point of intersection and terminating on the west line of the $NE\frac{1}{4}SW\frac{1}{4}$ Sec. 20, T. 6 S., R. 94 W., said point of intersection being a distance of 114.7 ft. S. $0^{\circ}41' E.$ from the NW corner of the $NE\frac{1}{4}SW\frac{1}{4}$ Sec. 20, Tp. 6 S., R. 94 W., containing 4.96 acres, more or less, and is to be used for the construction, operation and maintenance of a road, water lines, power and telephone lines and sewer system.

UNIT 111

A right of way 100 ft. wide in the $NW\frac{1}{4}SW\frac{1}{4}$, the $W\frac{1}{2}NW\frac{1}{4}$ Sec. 20, the $SW\frac{1}{4}SW\frac{1}{4}$ Sec. 17, and the $SE\frac{1}{4}SE\frac{1}{4}$ Sec. 18, all in Tp. 6 S., R. 94 W., 6th P. M., Colorado, the center line of which is described as follows:

Beginning at a point on the east line of the $NW\frac{1}{4}SW\frac{1}{4}$ Sec. 20, T. 6 S., R. 94 W., said point being a distance of 114.7 ft. S. $0^{\circ}41' E.$ from the NE corner of the $NW\frac{1}{4}SW\frac{1}{4}$ of said Sec. 20. Thence proceeding in a northwesterly direction N. $36^{\circ}10' W.$ for a distance of 1,560.0 ft. (sta. 48 \pm 00.0 to st. 63 \pm 60.0). Thence curves left (concave to the west) with a radius of 349.26 ft. and central angle of $28^{\circ}54'$ for a distance of 176.17 ft. Thence bears N. $65^{\circ}04' W.$ a distance of 45.2 ft. Thence curves right (concave to the east) with a radius of 303.30 ft. and central angle $33^{\circ}03'$ for a distance of 174.95 ft. Thence bears N. $32^{\circ}01' W.$ a distance of 34.3 ft. Thence curves right (concave to the South) with a radius of 125.32 ft. and a central angle of $89^{\circ}43'$ for a distance of 196.22 ft. Thence bears N. $57^{\circ}42' E.$ for a distance of 762.7 ft. Thence curves left (concave to the north) with a radius of 366.44 ft. and central angle of $20^{\circ}17'$ for a distance of 128.66 ft. Thence bears N. $37^{\circ}35' E.$ for a distance of 76.1 ft. Thence curves left (concave to the west) with a radius of 256.91 ft. and a central angle of $30^{\circ}29'$ for a distance of 136.68 ft. Thence bears N. $7^{\circ}06' E.$ for a distance of 14.8 ft. Thence curves left (concave to the south) with a radius of 94.65 ft. and central angle of $93^{\circ}09'$ for a distance of 153.88 ft. Thence curves right (concave to the north) with a radius of 141.88 ft. and central angle of $67^{\circ}33'$ for a distance of 167.27 ft. Thence bears N. $18^{\circ}30' W.$ for a distance of 33.0 ft. Thence curves right (concave to the East) with a radius of 185.26 feet and central angle of $65^{\circ}15'$ for a distance of 106.20 ft. to a point on the curve (sta. 85 \pm 63.3) said point intersecting the North line of Sec. 20, T. 6 S., R. 94, (which bears N. $88^{\circ}39' E.$) and falls a distance of 721.2 ft. from the corner common to Secs. 17, 18, 19 and 20, all in T. 6 S., R. 94 W., thence proceeding from said point on curve for a distance of 116.16 ft.; thence curves left (concave to the West) with a radius of 240.02 ft. and central angle of $36^{\circ}52'$ for a distance of 154.42 ft. Thence bears N. $9^{\circ}53' E.$ for a distance of 167.5 ft. Thence curves left (concave to the West) with a radius of 203.88 ft. and central angle of $72^{\circ}41'$ for a distance of 258.65 ft. Thence bears N. $62^{\circ}48'$ for a distance of 423.4 ft. Thence curves right (concave to the North) with a radius of 693.94 ft. and central angle of $9^{\circ}54'$ for a distance of 119.70 ft. Thence bears N. $52^{\circ}55' W.$ for a distance of 287.9 ft. Thence curves right (concave to the east) with a radius of 232.45 ft. and a central angle of $37^{\circ}59'$ for a distance of 97.95 ft. to a point on the curve (sta. 101 \pm 92.1) said point intersecting the east line of Sec. 18, T. 6 S., R. 94 W., (which bears due north) and falls a distance of 186.5 ft. from the NW corner of the $SW\frac{1}{4}SW\frac{1}{4}$ Sec. 17, T. 6 S., R. 94 W.; thence proceeding from said point on curve for a distance of 56.13 ft. Thence bears N. $14^{\circ}56' W.$ for a distance of 135.8 ft. and terminates at the Naval Reserve Boundary on the northern line of the $SE\frac{1}{4}$ of the $SE\frac{1}{4}$ Sec. 18, T. 6 S., R. 94 W. (at sta. 103 \pm 84.0). Said point of termination falls a distance of 55.8 ft. and bears S. $89^{\circ}47' 45'' W.$ from the NE corner of the $SE\frac{1}{4}SE\frac{1}{4}$ Sec. 18, T. 6 S., R. 94 W., containing 12.08 acres, more or less, and is to be used for the construction, operation and maintenance of a road, water lines, power and telephone lines and sewer system.

UNIT IV

RECLAMATION PLAN

PARAHO PILOT PLANT RESEARCH OPERATIONS (Draft)

INTRODUCTION

The operations proposed by Parhao, would consist of contract research for various clients on the site leased adjacent to Anvil Points. During the ten year lease, it is anticipated that as much as 38,000 tons of retorted shale would be produced. Although it is likely that the client would require the retorted shale be removed from the lease site for additional research studies, the reclamation plan is based upon above-ground disposal of the entire 38,000 tons of retorted shale on the lease site.

Although the reclamation of the proposed retorted shale disposal site is the primary concern of the reclamation tasks, the reclamation plan addresses restoration of all areas disturbed by the pilot plant research operations on the lease site. These proposed research operations have been described in Parhao's permit and zoning applications to the Colorado Department of Health and Garfield County.

The Reclamation Plan is described in detail under the headings DESCRIPTION OF TASKS, SCHEDULE, and COST. The tasks, listed in the permits consist of the following:

- Dismantlement of structures and foundations;
- Removal of materials, fuel, oil tanks, and equipment;
- Secure disposal pile and drainage diversion structures for long term stability;
- Placement, compaction and contouring of soil cover on exposed areas;
- Revegetation of disturbed and exposed areas
- Monitoring of vegetation, groundwater, and surface water for at least three years.

As discussed under Schedule and Costs, it is anticipated that the reclamation will require three to four years to complete and about \$25,000 in 1982 dollars.

DESCRIPTION OF TASKS

Reclamation activities would begin near the end of the lease period. With no additional extensions, this should occur during 1992. Reclamation activities will be directed towards reclaiming the lease site to conditions as it existed at the start of the lease.

After reclamation, the property would then revert back to its original uses: limited grazing by sheep, cattle, and wildlife; access for Anvil Points oil shale mining and research activities; natural gas exploration and development.

The tasks involved in reclamation include the following: removal of structures, destruction of cement pads and foundations; preparation (compaction) of the retorted shale disposal area; placing soil cover on all exposed areas; revegetating; protect drainage, diversion, and evaporation systems; monitoring.

Removal of Structures. This task includes the dismantlement of all equipment and buildings and the removal of the dismantled parts, tanks and drums, supplies and stores, and mobile equipment not needed for reclamation work. The materials and equipment, removed from the lease site, will be available for reuse or sale as scrap material.

Destruction of Cement Pads and Foundations. All cement pads and foundations used to support buildings and equipment (such as the retort) during operations or to protect the temporary storage piles will be completely broken into small (one foot or less) chunks. These broken chunks may be used as rip-rap covering for

RECLAMATION PLAN

Draft

Page 3

the disposal pile or may be left in place, covered with soil and revegetated.

Retorted Shale Disposal. Near the termination of retorting operations, the retorted shale stored in the center of the storage area under light compaction, along with retorted shale available from the last year's operations would be removed to the edges of the disposal area. There it will be placed in 10-12 inch drifts, 6-10 feet wide, moistened with optimum water, and subjected to heavy compactive effort. Based upon earlier research field studies (Heistand and Holtz, "Retorted Shale Research Studies", 13th Oil Shale Symposium, 1979), this will create a stable, strong, impervious perimeter around the shale disposal site. This work will be completed during research operations, before reclamation work is begun.

Assuming all the retorted shale produced during the ten-year contract research operations were stored on the above-ground, on-site area, the site would cover the planned 200 foot by 240 foot area to a height of about 20 feet. This is considerably less high than the hills and ridges which surround the site on three sides, thus visibility impacts could be minimal. On the average, the bulk density would be 90 pcf (pounds per cubic foot). Sides would approximate natural slopes for canyons and mesas in the area - a 1.5:1.0 slope. Since the sides, especially the south facing slope, will not support vegetation, a rock rip-rap facing will be considered for cover.

Soil Cover. Based upon available surficial soils from local borrow areas, as much as two feet of soil cover will be placed on top of the retorted shale area and other disturbed areas. This surficial soil cover will be contoured and compacted to approximate existing terrain conditions.

Revegetation. Revegetation of exposed areas will be carried out to produce ground cover that approximates that found on similar sites in the region. Based upon a soils analysis, adequate fertilizers and mulches will be applied to support revegetation of native species. Revegetation will be done in the fall with a single application of water at that time. Although native species of grasses and shrubs will predominate, special, salt-tolerant species may also be used. Final treatment of the retorted shale disposal area, soil cover, and revegetation will follow guidelines of the Colorado Mined Land Reclamation Board. Special advisors, such as experts on the staff of Colorado State University and Garfield County Agricultural Officer, will be consulted regarding final revegetation.

Control Systems. The drainage, diversion, and evaporation systems now in place on the lease site will be utilized to protect the reclaimed site from erosion caused by runoff surface water and to protect regional surface water from possible contamination from the disposal site. Drainage and diversion systems will be enlarged, widened, and protected by rip-rap where necessary to assure long term stability.

Monitoring. A monitoring program is planned to last at least three calendar years after revegetation work has been completed. It is anticipated that the monitoring program would consist of performing the following tasks on an annual basis:

- (1) Vegetation - catalog and identify species; measure plant density using quadrants or transects; monitor plant growth, stability and health.

RECLAMATION PLAN

Draft

Page 5

- (2) Water - continue monitoring water in alluvial wells and ponds for these parameters: depth of water, pH, and electrical conductivity.

- (3) Others - examine surfaces of disposal area and control systems for evidence of erosion; monitor disposal area for temperatures and moisture content at the surface and selected depths within the pile.

Results of this program will be reviewed annually to determine the need, if any, of additional reclamation work or extension or modifications of the monitoring program.

SCHEDULE

Reclamation activities will be started after the cessation of the retorting research operations. It is presumed that, with the exception of monitoring, this work would be completed during the fall quarter. All planned activities would be complete within 38 months after the termination of the retorting operations.

A general concept of the planned reclamation work is shown in Figure 1. Structures will be removed in a 30-day period ending November 1. Destruction of cement pads will follow ending about one week later. Preparation of the retorted shale disposal area will be carried out during the latter stages of operations and will be complete by early October. Soil cover will be placed on exposed areas from mid-October to mid-November. Revegetation will follow and should be complete by late November. Work on the control systems will be carried out concurrently with the other tasks and should be complete by December. Monitoring will be carried out annually for at least three years during the spring quarter (mid-April to mid-July). The status of the reclamation will be reviewed annually at the end of each calendar year. It is assumed that the reclamation will be complete at that time.

1992

1993

1994

1995

Sept Oct Nov Dec Jan-March Apr II May June July Aug-Nov Dec Jan-March Apr II May June July Aug-Nov Dec Jan-March Apr II May June July Aug-Nov Dec

1. Removal of Structures



2. Destruction of Pads & Foundations



3. Preparation of Disposal Area



4. Soil Cover



5. Revegetation



6. Control Systems



7. Monitoring



8. Status



COSTS

		<u>Cost \$</u>
1. Dismantlement of retort, hoppers, conveyors sampling and weighting stations, oil and fuel tanks, lab and control room, shop.		None*
2. Removal of shale oil storage tanks, fuel oil tanks, mobile equipment, and spare parts.		None*
3. Cement foundations, pads, or floors for retort, lab, control room, shop, fuel oil and shale oil storage tanks to be torn out and broken up.	(200 Man-Hours)	3,200(1)
4. Cement pads for temporary stockpiles of raw and retorted shale (ripped and broken).	(100 Man-Hours)	1,600
5. Soil cover (up to two feet thick) for retorted shale disposal pile and areas of retort, lab, shop and tankage. (Placement, compaction and contouring).		11,200(2)
6. Protect drainage and diversions from long term degradation and secure disposal pile for long term stability.		1,600
7. Revegetation of disposal pil and other exposed areas. (Hydroseeding, mulching, fertilizing and irrigation.)		3,000
8. Monitoring for three years of surface and ground water and vegetation. (Labor cost plus equipment plus lab analyses.)	(200 Man-Hours)	3,200
9. Contingency		<u>1,550(3)</u>
	TOTAL	25,350

* Reissue and shalvage value exceeds dismantlement and removal costs.

(1) Items #4, #4, and #8 are based on man-hours @ \$16/man-hour.

(2) Items #5, #6, and #7 are based on cost estimates for the Paraho-Ute reclamation plan @ \$7,900/acre. The total of items #5, #6, and #7 equals \$15,800 (2 x \$7,900).

(3) Contingency equals 25% of revegetation and monitoring costs in case seeding efforts prove unsuccessful, berms are washed out, or other erosion controls fail.



PARAHO DEVELOPMENT CORPORATION

CHARLES F. METZGER
Vice President
Marketing And
Governmental Affairs

70
10/4/84
RECEIVED

OCT 04 1984

GARFIELD
COUNTY ATTORNEY

October, 2, 1984

Mr. Earl G. Rhodes
Garfield County Attorney
109 8th Street, Suite 300
Glenwood Springs, CO 81602-0640

Dear Earl:

Enclosed is the renewed CD for our bond as well as the letter of Assignment and the Receipt which you return to Paraho.

Also, pursuant to our conversation regarding the tax issues, it is Paraho's intent to pay its 1983 taxes as soon as the immediate issues we are jointly discussing are resolved to everyone's satisfaction.

Thank you for your help and cooperation.

Sincerely yours,

Charles F. Metzger
Vice President

CFM/bl
Enclosures

EXHIBIT B

ASSIGNMENT OF ACCEPTABLE SECURITY

THE UNDERSIGNED PARAHO DEVELOPMENT CORPORATION (the "Company") on behalf of its wholly owned subsidiary, DEVELOPMENT ENGINEERING, INC., represents that it is the Owner of the attached security identified as follows:

Certificate of Deposit No. 100811590, in the amount of Twenty-five Thousand Dollars and No/cents (\$25,000.00) issued by Central Bank of Denver on August 6, 1984, maturity date February 8, 1984.

The Company hereby assigns and transfers, unto the Garfield County Board of County Commissioners, all of its right, title and interest in and to said security, and does hereby irrevocably constitute and appoint the Garfield County Board of County Commissioners as its attorney to transfer said security unto the Garfield County Board of County Commissioners, all as provided in the Letter agreement dated April 23, 1984 between the Company and the Board of County Commissioners.

Assignment of Security, identified herein, is for the purpose of securing performance of obligations of the Company as to reclamation activities, pursuant to resolution Nos. 82-294 and 84-85, and the obligations of the Company, as contained in a letter of April 23, 1984. The Garfield County Board of County Commissioners shall not have the right to transfer ownership of said security, except in compliance with the terms of the letter of April 23, 1984.

DATED at Denver, Colorado, this 1 day of October, 1984.

By Charles J. Metzger
Vice President

Central Bank of Denver
Denver, Colorado 80292 303/893-3456

NOT TRANSFERABLE
(as defined by Federal Reg. 12 CFR Part 204)
TIME CERTIFICATE OF DEPOSIT

ACCOUNT NO. _____

CERTIFICATE # **81159**

SS ID **100811590**

ISSUE DATE **8/8/84**

SOCIAL SECURITY OR I.D. NUMBER **84-0615660**

PAYEE(S)
Paraho Development Corp.
 JTWROS

ADDRESS
**183 Inverness West Suite 300
Englewood, CO 80112**

HAS DEPOSITED IN THIS BANK **Twenty five thousand and 00/100** DOLLARS \$ **25,000.00**

DRAWING INTEREST AT **10.50** PER CENT PER ANNUM PAYABLE AS SET HEREIN BELOW AND MATURING **6 mo from issue (2/8/85)**
CERTIFICATE IS PAYABLE ONLY TO THE ABOVE NAMED PAYEE(S) OR ASSIGNS UPON PRESENTATION. SURRENDER AND PROPER ENDORSEMENT OF THIS CERTIFICATE TO THE CENTRAL BANK OF DENVER, A BANKING CORPORATION. THIS CERTIFICATE IS SUBJECT TO COLORADO STATE LAW AND TO REGULATIONS OF THE FEDERAL RESERVE SYSTEM NOW OR HEREAFTER IN EFFECT AND TO CONDITIONS SET FORTH ON THE REVERSE SIDE HEREOF.

PAY INTEREST TO:
CKG SAV ACCT NO **824-550**

OFFICER

CERTIFICATE TYPE
AUTO RENEWAL SINGLE MATURITY

INTEREST PAID WHEN
 MO QT SA A MAT

REDEEMED AMOUNT

INTEREST DISPOSITION
CR SAV MAIL HOLD COMP

OPENED BY: **MS/mk** POD

AUTHORIZED SIGNATURE *Larry L. Stuckey*

⑈081159⑈ ⑆102000539⑆

RECEIPT

The undersigned, on behalf of the Garfield County Board of County Commissioners (the "County"), hereby acknowledges having received from Paraho Development Corporation ("Paraho") the following:

Central Bank of Denver Certificate of Deposit
No. 100811580 in the amount of \$25,000.00
issued in the name of Paraho Development
Corporation on August 8, 1984, maturity date
February 8, 1984.

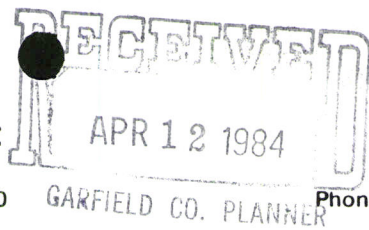
along with the Assignment of Acceptable Security from Paraho to the County dated 9/1, 1984 and attached to such Certificate of Deposit. The Certificate of Deposit and the Assignment of Acceptable Security are delivered to the County pursuant to Resolution Nos. 82-294 and 84-85 and the letter agreement between Paraho and the County dated April 23, 1984.

Received and acknowledged this 4th day of October, 1984.

Board of County Commissioners
Garfield County, Colorado

By: Edwin A. Hurd
Title: County Attorney

GARFIELD COUNTY
COUNTY ATTORNEY'S OFFICE



P.O. Box 640

Glenwood Springs, Colorado 81602-0640

Phone 945-9150

April 12, 1984

Debra L. O'Connor
Contract Administrator
Paraho Development Corporation
183 Inverness Drive West, Suite 300A
Englewood, CO 80112

COPY

RE: Resolution No. 82-294

Dear Ms. O'Connor:

Pursuant to my telephone conversation with you of April 11, 1984, enclosed please find the following:

1. Form for Assignment of Acceptable Security; and
2. Proposed Resolution re: Substitution of Security.

It is my understanding that Paraho Development Corporation is desirous of releasing its bond, which was security pursuant to a letter of April 11, 1983, and substituting in its place a Certificate of Deposit. The County has no objection to this, and in order for this to be accomplished, the Assignment of Acceptable Security needs to be signed, and the Certificate of Deposit needs to be tendered to the County. As I indicated to you, the Certificate of Deposit would remain in the name of Paraho Development Corporation. After the County has received these documents, it would forward, to the Insurance Company of North America, a certified copy of the enclosed Resolution. I spoke with Mr. James Tierney of the Insurance Company of North America, and he has agreed to accept a certified copy of the enclosed Resolution as release of his company's obligations.

I will be in Denver on April 17, 1984, and would be happy to come to your office to exchange documents.

Very truly yours,

Earl G. Rhodes
Garfield County Attorney

EGR/sl
Enclosures

pc: Mark Bean, Garfield County Planner
Garfield County Board of County Commissioners
(without enc.) Harriet Hunt, Johnson & Higgins, 950 17th St.,
Suite 1750, Denver, Colorado 80202

ASSIGNMENT OF ACCEPTABLE SECURITY

THE UNDERSIGNED COMPANY represents that it is the Owner of the attached security identified as follows:

Certificate of Deposit No. _____, in the amount of Twenty-Five Thousand Dollars and No/Cents (\$25,000.00) issued by _____ on _____, 1984, maturity date _____, 1984.

The Company hereby assigns and transfers, unto the Garfield County Board of County Commissioners, all of its right, title and interest in and to said security, and does hereby irrevocably constitute and appoint the Garfield County Board of County Commissioners' attorney to transfer said security at any time unto the Garfield County Board of County Commissioners.

Assignment of security, identified herein, is for the purpose of securing performance of obligations of the Company as to reclamation activities, pursuant to Resolution No. 82-294, and the obligations of the Company, as contained in a letter of April 11, 1983. The Garfield County Board of County Commissioners shall not have the right to transfer said security, except in compliance with the terms of the letter of April 11, 1983.

DATED at Denver, Colorado, this _____ day of April, 1984.

PARAHO DEVELOPMENT CORPORATION

By: _____
(Title)

ATTEST:

Secretary

Development

GARFIELD COUNTY
DEPARTMENT OF DEVELOPMENT

PLANNING: 945-8212 / ENVIRONMENTAL HEALTH: 945-2339 / BUILDING: 945-8241

October 27, 1983

Ed Cooley
1214 Access Road, Suite 103
Rifle, CO 81650

Dear Mr. Cooley:

As a result of an on-site inspection by the Garfield County Department of Development, the following potential violation of the conditions of approval contained in Resolution No. 82-294, were noted:

Condition #5 - The applicant shall meet all local, state and federal agency permit requirements. The County records indicate that there is no Certificate of Occupancy for the Administration and Maintenance Buildings.

Please contact the Department of Development/Planning Division at 2014 Blake Ave., Glenwood Springs, or 945-8212 or 625-3321, by November 7, 1983, to initiate a discussion on possible resolution of the above noted violation.

If you choose not to respond to this letter by the date noted, the Department of Development will turn all information over to the Garfield County Attorney for legal action. Your cooperation in this matter will be appreciated.

Sincerely,

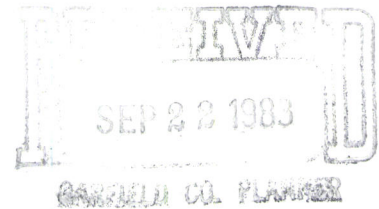
Mark L. Bean

Mark L. Bean
Senior Planner

MLB/emh

*NOTE: They obtained their C.O.'s on
11/8/83*

Board of County Commissioners
Attention: Earl G. Rhodes, Esq.
Garfield County, Colorado
P.O. Box 640
Glenwood Springs, Colorado 81602



Re: Development Engineering, Inc.
Special Use Permit
Road Maintenance Agreement

Dear Mr. Rhodes:

Enclosed is a check in the amount of \$5,000.00 made payable to Garfield County. We are sending this check in lieu of the previously proposed pledge agreement with the Certificate of Deposit for \$5,000.00. This check is to cover the cost of certain improvements to the access road to the United States' Anvil Points Research Facility associated with the special land use permit granted to Development Engineering in Resolution No. 82-294 of the County Commissioners.

We understand that you will hold this check without endorsing and depositing it for payment until Garfield County has both executed a written agreement with the United States Department of Energy authorizing the County to use or make improvements to the Anvil Points access road and actually begun to make improvements to that road. If requested by the Board of Commissioners, we will be willing to replace the check at the end of each 120-day period after the date of the check so that the check date does not get too stale.

We would appreciate your signing below to acknowledge receipt of this check and that this arrangement is agreeable to you.

Sincerely,

F. Edward Cooley
Vice President
Paraho Development Corporation
Development Engineering, Inc.

Accepted and acknowledged
Garfield County Commissioners
Garfield County, Colorado

Chairman

5/23/83

Date

FEC/DJ/oh

Enclosure

cc: Helen Sucheky
David Jurist (w/copy of check)
E. Reese Davis (w/copy of check)
Sherrie Hender (w/copy of check)

9/21

Deposited in
R 9 B Fund

#341 Various
Revenue

PARAHO DEVELOPMENT CORPORATION

1214 Access Road Suite 103
Rifle, Colorado 81650

Nº 761

FIRST NATIONAL BANK
RIFLE, COLORADO
82-456/1021

PAY FIVE THOUSAND and no/100-----DOLLARS

TO THE ORDER OF	Board of County Commissioners Garfield County Colorado P.O. Box 640 Glenwood Springs, CO 81602	DATE 5-23-83	AMOUNT \$ 5000.00
--------------------------	---------------------------------------------------------------------------------------------------------	-----------------	----------------------

Edward Lodge

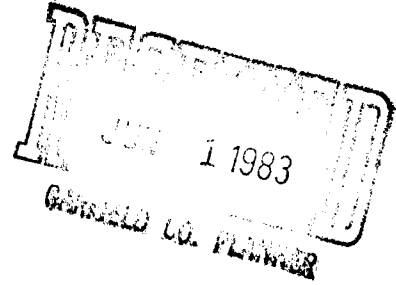
⑈000761⑈ ⑆10210456⑆ 010871⑈

CV Rocky Mountain Bank Note

P A Y E E: DETACH THIS STATEMENT BEFORE DEPOSITING

PARAHO DEVELOPMENT CORPORATION

DATE	INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
5-23-83	Ck. No. 761	For road maintenance on Anvil Points Road as per Resolution - No. 82-294 of the Garfield County Commissioners	5000.00		5000.00



GARFIELD COUNTY
COUNTY ATTORNEY'S OFFICE

P. O. Box 640

Glenwood Springs, Colorado 81602

Phone 945-9158

MEMORANDUM

TO: Mark Bean
Senior Planner

FROM: Earl G. Rhodes */ER*
Garfield County Attorney

DATE: May 24, 1983

SUBJECT: Development Engineering, Inc. Land Use Permit and Certificate of Designation

Enclosed please find a copy of a letter I have sent to Ed Cooley of Paraho Development, Inc. I am enclosing, for you, copies of all of these documents for the Planning records. The original signed copies and the original financial instruments are in the County Attorney's possession and stored in the Treasurer's vault.

If you have any questions about this, please do not hesitate to contact me.

/sr
Enclosures

COPY

GARFIELD COUNTY
COUNTY ATTORNEY'S OFFICE

P. O. Box 640

Glenwood Springs, Colorado 81602

Phone 945-9158

May 27, 1983

F. Edward Cooley, Vice President
Paraho Development Corporation
1214 Access Road, Suite 103
Rifle, CO 81650

Dictated But Not Read

RE: Development Engineering, Inc. Land Use Permit and Certificate of
Designation for Solid Waste Disposal Site

Dear Ed:

The purpose of this letter is to confirm that on May 23, 1983, I tendered to you the following:

1. Original Certificate of Designation for DEI for a solid waste disposal site;
2. Special Use Permit for operations for DEI;
3. Original letter dated April 11, 1983, on your stationary, which is a Reclamation Agreement in regards to the above Land Use Permit; and
4. Original letter dated April 11, 1983 in regards to a Road Maintenance Agreement.

Items number 3 and 4 above contain the signature of the Chairman of the Board of County Commissioners. For your purposes, you and the representatives from the Insurance Company of North America ought to sign these. I am keeping signed copies of these Agreements for my file.

I also have, in my possession, a check for Five Thousand Dollars and No/Cents (\$5,000.00) written on the First National Bank of Rifle, which is for road maintenance and improvement purposes. Also, I am in possession of an Agreement dated May 23, 1983, which indicates this check will not be deposited until such time as we have a written agreement with the Federal Government.

I appreciate the cooperation you have shown to this office. If anything further needs to be done, please do not hesitate to contact me.

Very truly yours,

Earl G. Rhodes /sr

Earl G. Rhodes
Garfield County Attorney

EGR/sr

pc: Helena A. Suchecky, Holme, Roberts & Owen, 1700 Broadway, Denver, CO 80290

April 11, 1983

Board of County Commissioners
Garfield County, Colorado
P.O. Box 640
Glenwood Springs, Colorado 81620

Attention: Earl G. Rhodes, Esq.

Re: Development Engineering, Inc.
Special Use Permit No. _____
Insurance Company of North
America Bond No. K01092078

Gentlemen:

Pursuant to the special land use permit (the "Permit") granted to Development Engineering, Inc. ("DEI") pursuant to Resolution of the County Commissioners No. 82-294 (the "Resolution") the County Commissioners have authorized the operation of a mineral waste disposal site on the following tract of land: SW $\frac{1}{2}$ SW $\frac{1}{4}$ Section 17, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 18, NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 20, all in Township 6 South, Range 94 West of the 6th Principal Meridian, Garfield County, Colorado. This letter will record the terms of the reclamation bond agreement (the "Agreement") between DEI, a Colorado corporation, Paraho Development Corporation, a Colorado corporation and the sole shareholder of DEI ("Paraho"), the Insurance Company of North America, a corporation organized and existing under the laws of Pennsylvania and duly authorized to transact a bonding and surety business in the State of Colorado ("Warrantor") and the Board of County Commissioners of Garfield County, Colorado ("County") regarding the posting of a reclamation bond by DEI to secure reclamation of the mineral waste disposal site.

1. The Resolution provides that "the applicant shall submit reclamation plans, cost estimates, and some form of security so that the estimated reclamation activities will take place upon cessation of research activities. The estimates and security will be reviewed by the planning staff and county attorney for adequacy and proper format." Further, Section 5.03.07(5) of the Garfield County Zoning Resolution, adopted January 2, 1979, provides that a plan for site rehabilitation be submitted to the County before the Permit is issued and, if security is required by the County, "the applicant shall furnish evidence of a bank

commitment of credit, or bond, or certified check or other security deemed acceptable by the County Commissioners in the amount calculated by the County Commissioners to secure the execution of the site rehabilitation plan in workmanlike manner and in accordance with the specifications and construction schedule established or approved by the County Commissioners." DEI has submitted the required reclamation plan and reclamation cost estimates (the "Reclamation Plan") for review by the planning staff and the county attorney, and the Reclamation Plan has been approved by the planning staff and the county attorney. A copy of the Reclamation Plan is attached hereto as Exhibit A.

2. DEI and Warrantor hereby promise that they will be responsible for the estimated costs of reclamation in accordance with the Reclamation Plan. DEI and Warrantor are hereby bound unto the County in the sum of Twenty Five Thousand and no/100 Dollars (\$25,000.00) for the performance of the obligations undertaken by DEI in the Reclamation Plan. The consideration for Warrantor's execution of this agreement is the promise of Paraho to pay the premiums, but failure by Paraho to pay such premiums shall not invalidate or diminish Warrantor's obligation hereunder.

3. (a) If the County determines that DEI has failed to perform the obligations undertaken in the Reclamation Plan, then the County shall promptly notify DEI in writing of such determination, including, specifically, the portion of the Reclamation Plan DEI has failed to comply with, and the corrective action required to achieve compliance with the Reclamation Plan. DEI shall have 30 days from the receipt of such notice to demonstrate in writing how compliance with the requirements in such notice will be achieved or to contest in writing the County's determination that DEI has failed to comply with the Reclamation Plan. Such 30-day period shall be subject to extension upon a showing by DEI that additional time is required to determine remedial action. If DEI fails to respond to any notice given under this section 3(a) within such 30-day period, the County may make demand for payment from Warrantor hereunder. No other condition precedent need be fulfilled to entitle the County to receive the amount so demanded. However, if, upon completion of the reclamation by the County, the amounts expended for reclamation shall be less than the amount received from Warrantor, the excess shall be promptly refunded to the Warrantor. If DEI contests the County's determination that DEI has failed to comply with the Reclamation Plan, such issue shall be resolved in accordance with section 5 of this Agreement.

(b) If the County, after providing DEI with the notice provided for in section 3(a) above and after receipt of written notification that DEI is contesting the County's determination that it has failed to comply with the Reclamation Plan, determines that immediate corrective action is required to protect the public health, safety and welfare, the County may, as provided in section 3(a) above, make demand for payment from Warrantor in an amount equal to the reasonable cost and expense of such corrective action. The County shall notify DEI in writing of any such action and DEI may contest the issue of its liability after payment to the County has been made in accordance with section 5 of this Agreement. If such issue is resolved in DEI's favor, the County shall within 5 business days of said resolution refund the amount so paid by Warrantor.

(c) If the County receives payment from Warrantor pursuant to sections 3(a) or 3(b) above, the County shall provide DEI and Warrantor with a written monthly accounting of all funds disbursed on account of the failure of DEI to comply with the Reclamation Plan. Any such funds which the County does not immediately spend in achieving compliance shall be deposited as soon as practicable in an interest generating account. Any non-expended funds, together with any interest earned on such funds, shall be returned to Warrantor within 15 days upon completion of remedial action by the County.

(d) The Warrantor shall not be liable under this agreement for an amount greater than the sum designated herein, unless increased with the written agreement of Warrantor. The County and DEI may review this agreement from time to time and, with the agreement of Warrantor, may increase the amount payable by Warrantor hereunder to cover increases in the estimated costs of performing the obligations described in the Reclamation Plan.

(e) Warrantor may cancel its agreement hereunder only upon an anniversary date and only by giving written notice to that effect by certified mail, at least 90 days prior to such anniversary date, addressed to both DEI and the County at their respective addresses set forth below. In the event of such cancellation, Warrantor shall nevertheless remain obligated hereunder as respects the reclamation of all areas disturbed prior to the effective date of such cancellation unless and until DEI shall provide substitute security which (1) assumes liability for all reclamation obligations which shall have arisen at any time

while this reclamation bond is in force; and (2) is accepted in writing by the County.

4. DEI shall notify the County in writing of completion, in DEI's reasonable judgment, of the obligations undertaken in the Reclamation Plan. The County shall respond in writing to such notification within 30 days and indicate either (i) its agreement with DEI's determination of completion, in which event the County shall release DEI and Warrantor in writing from the obligations of this Agreement and the County shall have no further right to demand payment from Warrantor, or (ii) its disagreement with DEI's determination of completion. Any dispute under this section 4 shall be resolved in accordance with the provisions of section 5 of this Agreement.

5. Any and all disputes arising under this Agreement shall be settled to the extent possible by good faith negotiations by duly appointed representatives of DEI, Warrantor and the County. If such negotiations do not result in a mutually agreeable settlement within 60 days of the commencement of such negotiations, said disputes shall be settled by appropriate action filed in the Colorado State District Court for Garfield County, Colorado, to which Court's jurisdiction the parties hereto submit.

6. This Agreement, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of Colorado.

7. All notices and other communications provided for herein shall be effective upon receipt by the party to whom such notice is directed. Notices to DEI and Paraho shall be directed to:

Development Engineering, Inc.
183 Inverness Drive West
Suite 300-A
Englewood, Colorado 80112
Attn: F. Edward Cocley,
Vice President of Operations

Notices to Warrantor shall be directed to:

Insurance Company of North America
3300 South Parker Road
Aurora, Colorado 80013
Attn: James M. Tierney II

Board of County Commissioners
Garfield County, Colorado
April 11, 1983
Page 5

Notices to the County shall be directed to:

Garfield County Commissioners
P.O. Box 640
Glenwood Springs, Colorado 81620

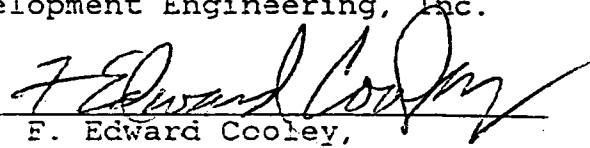
8. This Agreement contains the entire agreement between DEI, Paraho, Warrantor and the County with respect to the subject matter hereof and may not be modified in any manner except by an instrument in writing signed by all parties.

Please acknowledge your agreement to the above terms and conditions by dating, signing and returning to us the enclosed copy of this letter.

Very truly yours,


Paraho Development Corporation
Development Engineering, Inc.

By:


F. Edward Cooley,
Vice President

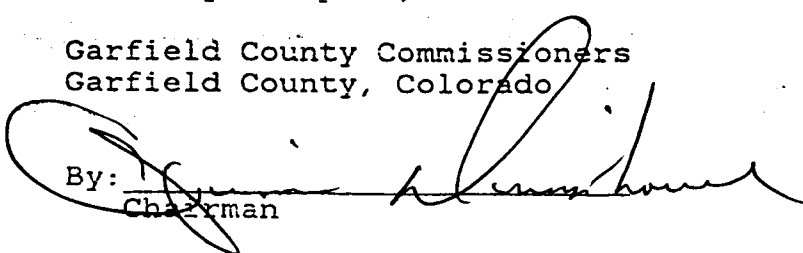
Insurance Corporation of North
America

By:


James M. Tierney II,
Attorney in Fact

Accepted and agreed to this
11th day of April, 1983.

Garfield County Commissioners
Garfield County, Colorado

By: 
Chairman

STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this _____ day of May, 1983, by F. Edward Cooley as Vice President of Paraho Development Corporation and Development Engineering, Inc.

Notary Public

My commission expires:

Address:

NOTARIZATION OF WARRANTOR'S ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

Subscribed and sworn to before me this 6th day of May, 1983.

Kellie R. Patterson
Notary Public

3300 S. Parker Rd.
Address

Aurora, Co 80014
Address

My commission expires:

11-10-86

EXHIBIT A

PARAHO RESEARCH AND DEVELOPMENT CENTER

RECLAMATION PLAN

RECLAMATION PLAN

PARAHO PILOT PLANT RESEARCH OPERATIONS

INTRODUCTION

The operations proposed by Paraho, would consist of contract research for various clients on the site leased adjacent to Anvil Points. During the ten year lease, it is anticipated that as much as 38,000 tons of retorted shale would be produced. Although it is likely that clients would require the retorted shale be removed from the lease site for additional research studies, the reclamation plan is based upon above-ground disposal of the entire 38,000 tons of retorted shale on the lease site.

Although the reclamation of the proposed retorted shale disposal site is the primary concern of the reclamation tasks, the reclamation plan addresses restoration of all areas disturbed by the pilot plant research operations on the lease site.

The Reclamation Plan is described in detail under the headings: DESCRIPTION OF TASKS, SCHEDULE, and COST. The tasks consist of the following:

- Dismantlement of structures and foundations;
- Removal of materials, fuel, oil tanks, and equipment;
- Secure disposal pile and drainage diversion structures for long term stability;
- Placement, spreading and contouring of soil cover on exposed areas;
- Revegetation of disturbed and exposed areas;
- Monitoring of vegetation, groundwater, and surface water for at least three years.

As discussed under Schedule and Costs, it is anticipated that the reclamation will require three to four years to complete and about \$25,000 in 1982 dollars.

DESCRIPTION OF TASKS

Reclamation activities would begin near the end of the lease period. With no additional extensions, this would occur during 1992. Reclamation activities will be directed towards reclaiming the lease site to conditions as it existed at the start of the lease.

After reclamation, the property would then revert back to its original uses: limited grazing by sheep, cattle, and wild-life; access for Anvil Points oil shale mining and research activities; natural gas exploration and development.

The tasks involved in reclamation include the following: removal of structures, destruction of cement pads and foundations; preparation (compaction) of the retorted shale disposal area; placement of soil cover on all exposed areas; revegetation; protection of drainage, diversion, and evaporation systems; monitoring.

Removal of Structures. This task includes the dismantlement of all equipment and buildings and the removal of the dismantled parts, tanks and drums, supplies and stores, and mobile equipment not needed for reclamation work. The materials and equipment removed from the lease site will be available for reuse or sale as scrap material.

Destruction of Cement Pads and Foundations. All cement pads and foundations will be broken into small (one foot or less) chunks. These broken chunks may be used as rip-rap covering for the disposal area or may be left in place, covered with soil and revegetated.

Retorted Shale Disposal. Retorted shale will be placed in 10-12 inch lifts, 6-10 feet wide perimeter around the disposal site, moistened with optimum water (22 wt%) and subjected to heavy compactive effort. Based upon earlier research field studies (Heistand and Holtz, "Retorted Shale Research Studies", 13th Oil Shale Symposium, 1979), this will create a stable, strong, impervious perimeter around the shale disposal site. Retorted shale in the center of the disposal site will be moistened to 1-3 wt% water for dust control as needed and subjected to light compaction. This work will be completed during research operations, before reclamation work is begun.

Assuming all the retorted shale produced during the ten-year contract research operations were stored on the above-ground, onsite area, the site would cover the planned 200 foot by 240 foot area to a height of about 20 feet. This is considerably lower than the hills and ridges which surround the site on two sides, thus visibility impacts would be minimal. On the average, the bulk density would be 90 pcf (pounds per cubic foot). Sides would approximate natural slopes for canyons and mesas in the area - a 1.5:1.0 slope. Since the sides, especially the south facing slope, are difficult to vegetate, a rock rip-rap facing will be considered for cover.

Soil Cover. Based upon available surficial soils from local borrow areas, as much as two feet of soil cover will be placed on top of the retorted shale area and other disturbed areas. This surficial soil cover will be contoured and compacted to approximate existing terrain conditions.

Revegetation. Revegetation of exposed areas will be carried out to produce ground cover approximating that found on similar sites in the region. Based upon a soils analysis, adequate fertilizers and mulches will be applied to support revegetation of native species. Revegetation will be done in the fall with a single application of water. Although native species of grasses, forbs, and shrubs will predominate, introduced, salt-tolerant species may also be used. Final treatment of the retorted shale disposal area, soil cover, and revegetation will follow guidelines of the Colorado Mined Land Reclamation Board. Advisors, such as the Plant Center in Meeker, Colorado; Colorado Department of Health, Solid Waste Management Division; and Garfield County Extension Agent; will be consulted regarding final revegetation.

Control Systems. The drainage, diversion, and evaporation systems now in place on the lease site will be utilized to protect the reclaimed site from erosion caused by runoff surface water and to protect regional surface water from possible contamination from the disposal site. Drainage and diversion systems will be enlarged, widened, and protected by rip-rap where necessary to assure long term stability.

Monitoring. A monitoring program is planned to last at least three calendar years after revegetation work has been completed. It is anticipated that the monitoring program would consist of performing the following tasks on an annual basis:

- (1) Vegetation - Identify species; measure plant density and cover using quadrats and transects; monitor plant growth.

- (2) Water - continue monitoring water in ground water wells and evaporation pond for these parameters: depth of water, pH, COD, and electrical conductivity.
- (3) Others - examine surfaces of disposal area and control systems for evidence of erosion; monitor disposal area for temperatures and moisture content at the surface and selected depths within the pile.

Results of this program will be reviewed annually to determine the need, if any, of additional reclamation work, extension or modifications of the monitoring program.

SCHEDULE

Reclamation activities will be started after the cessation of the retorting research operations. It is presumed that, with the exception of monitoring, this work would be completed during the fall quarter. All planned activities would be complete within 36 months after the termination of the retorting operations.

A general concept of the abandonment schedule is shown in Figure 1. Structures will be removed in a 30-day period ending November 1. Destruction of cement pads will follow ending about one week later. Preparation of the retorted shale disposal area will be carried out during the latter stages of operations and will be complete by early October. Soil cover will be placed on exposed areas from mid-October to mid-November. Revegetation will follow and should be complete by late November. Work on the drainage control systems will be carried out concurrently with the other tasks and should be complete by December. Should unusual inclement weather prevent fall revegetation, spring planting would be carried out. Monitoring will be carried out annually for at least three years during the spring quarter (mid-April to mid-July). The status of the reclamation will be reviewed annually at the end of each calendar year. It is expected that the reclamation will be complete after three years.

COSTS

		<u>Cost \$</u>
• Dismantlement of retort, hoppers, conveyors sampling and weighing stations, oil and fuel tanks, lab and control room, shop.		None*
• Removal of shale oil storage tanks, fuel oil tanks, mobile equipment, and spare parts.		None*
• Cement foundations, pads, or floors for retort, lab, control room, shop, fuel oil and shale oil storage tanks to be broken up.	(200 Man-Hours)	3,200(1)
• Reclamation of stockpiles of raw shale	(100 Man-Hours)	1,600
• Soil cover (up to two feet thick) for retorted shale disposal pile and areas of retort, lab, shop and tankage. (Placement, compaction and contouring).		11,200(2)
• Protect drainage and diversions from long term degradation and secure disposal pile for long term stability.		1,600
• Revegetation of disposal pile and other exposed areas. (seeding, mulching, fertilizing and irrigation.)		3,000
• Monitoring for three years of surface and ground water and vegetation. (Labor cost plus equipment plus lab analyses.)	(200 Man-Hours)	3,200
• Contingency		<u>1,550(3)</u>
	TOTAL	25,350

-
- * Reuse and salvage value exceeds dismantlement and removal costs.
- 1) Items #3, #4, and #8 are based on man-hours @ \$16/man-hour.
 - 2) Items #5, #6, and #7 are based on cost estimates for the Paraho-Ute reclamation plan @ \$7,900/acre. The total of items #5, #6, and #7 equals \$15,800 (2 x \$7,900).
 - 3) Contingency equals 25% of revegetation and monitoring costs in case seeding efforts prove unsuccessful, berms are washed out, or other erosion controls fail.

INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA, PA.

Know all men by these presents: That INSURANCE COMPANY OF NORTH AMERICA, a corporation of the Commonwealth of Pennsylvania, having its principal office in the City of Philadelphia, Pennsylvania, pursuant to the following Resolution adopted by the Board of Directors of the said Company on May 28, 1975, to wit:

"RESOLVED, pursuant to Articles 3.6 and 5.1 of the By-Laws, the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

(1) That the President, or any Vice-President, Assistant Vice-President, Resident Vice-President or Attorney-in-Fact, may execute for and in behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Secretary, an Assistant Secretary or a Resident Assistant Secretary and the seal of the Company affixed thereto; and that the President or any Vice-President may appoint and authorize Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-Fact to so execute or attest to the execution of all such writings on behalf of the Company and to affix the seal of the Company thereto.

(2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested by the Secretary.

(3) The signature of the President or a Vice-President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of a certifying officer and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company.

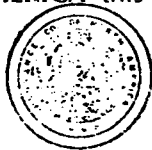
(4) Such Resident Officers and Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavit or record of the Company necessary to the discharge of their duties.

(5) The passage of this Resolution does not revoke any earlier authority granted by Resolution of the Board of Directors on June 9, 1953."

does hereby nominate, constitute and appoint **JAMES M. TIERNEY, II, LOUIS R. WEBB, BARBARA JACKSON and AMY L. RASBACH**, all of the City of Denver, State of Colorado-----

-----, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof. And the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said MICHAEL B. FODOR, Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said **INSURANCE COMPANY OF NORTH AMERICA** this 8th day of December 19 82



INSURANCE COMPANY OF NORTH AMERICA
by Michael B. Fodor
MICHAEL B. FODOR Vice-President

(SEAL)

STATE OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } ss.

On this 8th day of December, A. D. 19 82, before me, a Notary Public of the **COMMONWEALTH OF PA.** in and for the County of **PHILADELPHIA** came MICHAEL B. FODOR, Vice-President of the **INSURANCE COMPANY OF NORTH AMERICA** to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same; that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of **PHILADELPHIA** the day and year first above written.

LETITIA H. CLARK
Notary Public Phila. Phila. County
My Commission Expires August 22, 1983

Letitia H. Clark
Letitia H. Clark Notary Public.

(SEAL)

My commission expires _____, the undersigned, ~~Assistant~~ Secretary of **INSURANCE COMPANY OF NORTH AMERICA**, do hereby certify that the original **POWER OF ATTORNEY**, of which the foregoing is a full, true and correct copy, is in full force and effect. In witness whereof, I have hereunto subscribed my name as ~~Assistant~~ Secretary, and affixed the corporate seal of the Corporation, this 29th day of April 19 83.

(SEAL)

James A. [Signature]
TAMPC C WVT T P

INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA, PA.

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(2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested by the Secretary.

(3) The signature of the President or a Vice-President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of a certifying officer and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company.

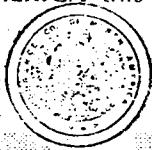
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(5) The passage of this Resolution does not revoke any earlier authority granted by Resolution of the Board of Directors on June 9, 1953.

does hereby nominate, constitute and appoint JAMES M. TIERNEY, II, LOUIS R. WEBB, BARBARA JACKSON and AMY L. RASBACH, all of the City of Denver, State of Colorado

each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof. And the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said MICHAEL B. FODOR, Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said INSURANCE COMPANY OF NORTH AMERICA this 8th day of December 19 82



INSURANCE COMPANY OF NORTH AMERICA
by Michael B. Fodor
MICHAEL B. FODOR Vice-President

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA } ss.

On this 8th day of December, A. D. 19 82, before me, a Notary Public of the COMMONWEALTH OF PA. in and for the County of PHILADELPHIA came MICHAEL B. FODOR, Vice-President of the INSURANCE

COMPANY OF NORTH AMERICA to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same; that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of PHILADELPHIA the day and year first above written.

LETITIA H. CLARK
Notary Public Phila. Phila. County
My Commission Expires August 22, 1983

Letitia H. Clark
Notary Public.

My commission expires, the undersigned, Assistant Secretary of INSURANCE COMPANY OF NORTH AMERICA, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a full, true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 6th day of May 19 83

JAMES S. WYLLIE
XXXXXX Secretary

April 11, 1983

Board of County Commissioners
Garfield County, Colorado
P.O. Box 640
Glenwood Springs, Colorado 81620

Attention: Earl G. Rhodes, Esq.

Re: Development Engineering, Inc.
Special Use Permit No. _____
Road Maintenance Agreement

Gentlemen:

Pursuant to the special land use permit (the "Permit") granted to Development Engineering, Inc. ("DEI") pursuant to Resolution of the County Commissioners No. 82-294 (the "Resolution") the County Commissioners have authorized the operation of a natural resource processing facility on the following tract of land: SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 17, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ Section 18, NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 20, all in Township 6 South, Range 94 West of the 6th Principal Meridian, Garfield County, Colorado. This letter will record the terms of the agreement between Development Engineering, Inc., a Colorado corporation ("DEI"), Paraho Development Corporation, a Colorado corporation and the sole shareholder of DEI ("Paraho") and the Board of County Commissioners of Garfield County, Colorado ("County") regarding the payment by DEI of the cost of certain improvements to the access road to the United States' Anvil Points Research Facility (the "Anvil Points Road").

1. The Resolution provides that the applicant shall "make a contribution of \$5,000.00 to any necessary road improvements." Paraho has caused to be issued a certificate of deposit ("CD") at Central Bank of Denver in the principal amount of \$5,000.00. Evidence of the purchase of the CD is attached as Exhibit A. Paraho will maintain and renew such CD at competitive market interest rates and will maintain complete and accurate records regarding the institution and interest rate at which the CD is being maintained from time to time, which records shall be subject to the inspection of the County at its request. All interest earned on such CD may be accumulated or withdrawn at the discretion of Paraho but will not become part of the principal amount of any and all renewal CD's. Paraho hereby pledges the CD

Board of County Commissioners
Garfield County, Colorado
April 11, 1983
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as security for the performance of the road improvement obligations set out in the Resolution.

2. The County may take possession of the principal amount of the CD when the following conditions have been satisfied:

(a) The County has executed a written agreement with the United States Department of Energy ("DOE") authorizing the County to use, or to make improvements, to, the Anvil Points Road.

(b) The County has commenced improvements to the Anvil Points Road.

The County shall give Paraho written notice when these conditions have been satisfied and shall provide Paraho with a copy of the agreement between the County and the DOE.

3. All interest earned on the CD shall be the sole property of Paraho, and the total amount that the County may receive under this agreement shall not exceed \$5,000.00.

4. This agreement, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of Colorado.

5. All notices and other communications provided for herein shall be effective upon receipt by the party to whom such notice is directed. Notices to DEI and Paraho shall be directed to:

Development Engineering, Inc.
183 Inverness Drive West
Suite 300-A
Englewood, Colorado 80112
Attn: F. Edward Cooley,
Vice President of Operations

Notices to the County shall be directed to:

Garfield County Commissioners
P.O. Box 640
Glenwood Springs, Colorado 81620

6. This agreement contains the entire agreement between DEI, Paraho and the County with respect to the sub-

Board of County Commissioners
Garfield County, Colorado
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ject matter hereof and may not be modified in any manner
except by an instrument in writing signed by all parties.

Please acknowledge your agreement to the above
terms and conditions by dating, signing and returning to us
the enclosed copy of this letter.

Very truly yours,

Paraho Development Corporation
Development Engineering, Inc.

By: 

F. Edward Cooley,
Vice President

Accepted and agreed to this
11th day of April, 1983.

Garfield County Commissioners
Garfield County, Colorado

By: 
Chairman

Board of County Commissioners
Attention: Earl G. Rhodes, Esq.
Garfield County, Colorado
P.O. Box 640
Glenwood Springs, Colorado 81602

Re: Development Engineering, Inc.
Special Use Permit
Road Maintenance Agreement

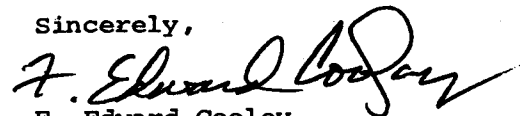
Dear Mr. Rhodes:

Enclosed is a check in the amount of \$5,000.00 made payable to Garfield County. We are sending this check in lieu of the previously proposed pledge agreement with the Certificate of Deposit for \$5,000.00. This check is to cover the cost of certain improvements to the access road to the United States' Anvil Points Research Facility associated with the special land use permit granted to Development Engineering in Resolution No. 82-294 of the County Commissioners.

We understand that you will hold this check without endorsing and depositing it for payment until Garfield County has both executed a written agreement with the United States Department of Energy authorizing the County to use or make improvements to the Anvil Points access road and actually begun to make improvements to that road. If requested by the Board of Commissioners, we will be willing to replace the check at the end of each 120-day period after the date of the check so that the check date does not get too stale.

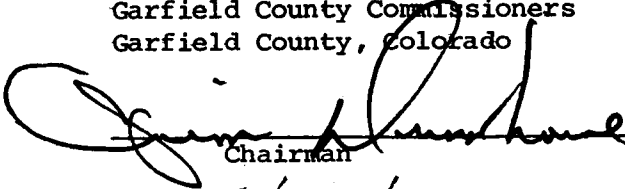
We would appreciate your signing below to acknowledge receipt of this check and that this arrangement is agreeable to you.

Sincerely,



F. Edward Cooley
Vice President
Paraho Development Corporation
Development Engineering, Inc.

Accepted and acknowledged
Garfield County Commissioners
Garfield County, Colorado



Chairman

5/23/83

Date

FEC/DJ/oh

Enclosure

cc: Helen Sucheky
David Jurist (w/copy of check)
E. Reese Davis (w/copy of check)
Sherrie Hender (w/copy of check)