

US EPA ARCHIVE DOCUMENT

Kennecott Eagle Minerals

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November 13, 2008

Rebecca L. Harvey
United States Environmental Protection Agency
Underground Injection Control Branch
Region 5
Attention Mail Code WU-16J
77 West Jackson Boulevard
Chicago, Illinois, 60604-3590

Subject: **Kennecott Eagle Minerals Company (Kennecott)**
Use of a State Bond for Financial Assurance

Dear Ms. Harvey:

Kennecott intends to use a single mechanism to meet both the State of Michigan and Federal requirements for the financial assurance for the Eagle mine. The financial assurance requirement is included as part of the Nonferrous Metallic Mineral Mining Permit (Permit Number: MP 01 2007) issued December 14, 2007 by the MDEQ. The nonferrous metallic mineral mining reclamation bond for the entire amount of financial assurance was submitted to the MDEQ on July 2, 2008 in the amount of \$17,000,000. This bond amount is conservatively estimated (including funds for contingencies) and includes the cost of decommissioning and removal of the TWIS from the infiltration area. Thus, Kennecott does not believe any practical or policy objective would be served by requiring a duplicative bond for the TWIS. The other project components are outside the federal UIC undertaking.

Additionally, on March 28, 2008 Kennecott submitted a surety bond in the amount of \$1,000,000 to the MDNR in accordance with Metallic Mineral Mining Operations Surface Use Lease No. L-9742.

If you have any question please contact me at (906) 486-1257.

Sincerely,



Jonathan C. Cherry, P.E.
General Manager

cc: Gene Smary, Warner, Norcross & Judd, LLP
Dennis Donohue, Warner, Norcross & Judd, LLP
Steve Donohue, Foth Infrastructure & Environment, LLC