DEPARTMENT OF ENVIRONMENTAL QUALITY
PERMITTING AND COMPLIANCE DIVISION
ENVIRONMENTAL MANAGEMENT BUREAU

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April 4, 2000

EXHIBIT 8
DATE 2.14.05
HB 606

Peter Northcutt
PO Box 614
Big Timber, MT 59011

RE: SMES No. 40-014B

Dear Peter:

As per your request, I have discussed the possibility of having the state hold a voluntary reclamation bond on the mill site with the department's chief legal counsel. His response is negative.

He explained that holding a bond that is not authorized or required by law is an illegal expenditure of state resources, particularly if it resulted in bond forfeiture and reclamation. In either case, if the state was called upon to make a judgement as to the adequacy of reclamation, the judgement could be called into question by one party or the other, which would leave the state open to possible litigation. Furthermore, because the action is not required by law, it would leave me open to personal liability. It seemed like a good idea, but, sorry, I could not help in this issue.

I am sending you a proposed bond calculation that I worked up pending my discussion with counsel. You may use that if you find it helpful.

I will visit with you next when the subgrade is complete.

Sincerely,

Pete Strazdas
SMES Program Supervisor
Permitting and Compliance Division