State of Utah
DEPARTMENT OF NATURAL RESOURCES

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April 4, 2008

TO: General File
Anthony Gallegos, Environmental Scientist
Paul Baker, Environmental Scientist
Lynn Kunzler, Environmental Scientist
Beth Erickson, Environmental Scientist
Wayne Western, Environmental Scientist

FROM: Daron R. Haddock, Permit Supervisor
James D. Smith, Permit Supervisor

RE: Escalation Factor for 2008 – 3.8%

Following are the index numbers and escalation factor from the Means Historical Cost Index for Site Construction, National Average:

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
<th>Escalation (3 Year Averages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>119.2</td>
<td>100.00</td>
</tr>
<tr>
<td>2004</td>
<td>120.2</td>
<td>1.005</td>
</tr>
<tr>
<td>2005</td>
<td>125.0</td>
<td>1.016</td>
</tr>
<tr>
<td>2006</td>
<td>131.8</td>
<td>1.032</td>
</tr>
<tr>
<td>2007*</td>
<td>134.6</td>
<td>1.038</td>
</tr>
</tbody>
</table>

The escalation factor for bonds estimated from this date forward in 2008 will use the 3.8% escalation factor. The escalation factor was calculated from the Historic Cost Index for Site Construction.

*The Division modified the method for calculating escalation. The base is 2004 and the escalation factor will be over the period from 2005 to 2007. Before then the Division used a weighted average of the three years.

cc: Daron Haddock
Susan White
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