



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

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001/001 #2 ↓ #4
 CC: Pam

October 11, 1994

TO: Daron Haddock, Permit Supervisor *WHW*

FROM: Wayne H. Western, Reclamation Engineer

RE: White Oak Bond, White Oak Mining & Construction Co., Inc., White Oak Complex, ACT/007/001, Folder #2, Carbon County, Utah

According to your request the engineering staff has reviewed the reclamation bond reduction package submitted by White Oak, on or about September 27, 1994. The Operator has modified the reclamation cost by using more cost-effective equipment, changing the reclamation plan and using alternate cost sources.

By using the Operator's updated equipment list the Division's engineering staff recommends reducing the bond from \$6.7 million to \$4.247 million. The new equipment includes the used of hydraulic hammers mounted on an excavator instead of hand held jack hammer to demolish concrete, and more effective earth moving equipment. See attached reclamation cost summary.

The Operator has requested bond reduction based on proposed changes in the reclamation plan. Those changes include grading over the foundations and eliminating the irrigation system. Bond reduction based on THE proposed reclamation plan is not allowed, because the bond must be based on the approved plan. Some changes to the reclamation plan appear to have merit and could result in additional bond reduction.

The Operator requested bond adjustment based on UDOT's bids. The Division does not use bid information to determine bond amounts. Bids are based on current economic conditions which may be present during reclamation.

The Operator's current bond is in excess of the Division's current reclamation cost estimate. The Division estimates reclamation will cost \$4,247,000 and the Operator has \$5,347,000 in bond. No additional bond is required.

OAKBOND.WHW

