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

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March 11, 1997

TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Midterm Bond Review, White Oak Mining, White Oak Mine, ACT/007/001, Carbon County, Utah. #4

As part of the midterm review for the White Oak Mine, the Division has reviewed the reclamation cost estimates. The Division calculated the reclamation costs for the White Oak Mine to be \$3,614,000 in 1999 dollars. The reclamation cost estimate review consisted of updating the unit costs and escalation estimate.

The current bond amount is \$5,891,000. In 1995, the Division approved the Permittee's revised reclamation plan and cost estimate. The Division determined the reclamation costs to be \$3,398,000, and notified the Permittee of that finding in a letter dated June 19, 1995. The Permittee has chosen not to reduce the bond.

The Division has determined that the current reclamation bond is adequate. We should notify the Permittee of the current reclamation cost estimate and give them the option to make the adjustment.

Enclosure

cc: P. Grubaugh-Littig

**Total Reclamation Costs White Oak**

Demolition Means	\$950,713
Demolition Caterpillar	\$72,569
<b>Subtotal Facility Removal</b>	<b>\$1,023,282</b>
Earthwork Costs	\$1,006,246
<b>Subtotal</b>	<b>\$1,006,246</b>
Revegetation	
Vegetation	\$372,336
Riprap	\$120,157
<b>Subtotal</b>	<b>\$492,493</b>
<b>Total Direct Costs</b>	<b>\$2,522,021</b>
Indirect Costs	
Maintenance and Monitoring (10%)	\$252,202
Contingency (10%)	\$252,202
Engineering Redesign (5%)	\$126,101
Startup Includes Mob/Demob (5%)	\$126,101
Contract Management (5%)	\$126,101
<b>Total Indirect Costs</b>	<b>\$882,707</b>
<b>Reclamation Costs</b>	<b>\$3,404,728</b>
Inflation @ 2.42% for 2.5 years	\$209,740
<b>Bond Amount in 1999 dollars</b>	<b>\$3,614,468</b>
<b>Bond Rounded to nearest \$1,000</b>	<b>\$3,614,000</b>