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STATE OF UTAH
NATURAL RESOURCES
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May 3, 1985

TO: Lowell P. Braxton, Administrator, Mineral Resource
Development and Reclamation Program

FROM: Pamela Grubaugh-Littig, Reclamation Engineer *pdh*

RE: Updating of Bonds, Valley Camp of Utah, Inc.'s Belina
Complex, ACT/007/001, #5, and Price River Coal
Company's Price River Complex, ACT/007/004, #5, Carbon
County, Utah

Upon review of the presently posted coal bonds, two posted permanent program bonds are inadequate. The Valley Camp and Price River Coal Company bonds were reviewed by OSM, not by the Division. The operators posted the OSM approved bond amounts in June and July of 1984, respectively. The bond estimates may still be technically inadequate, but a glaring problem that should be remedied immediately is the posting of these bonds in 1989 dollars.

Valley Camp:

Presently posted - \$1,521,000 (1983 dollars)
Escalate @ 1.04%* - \$1,536,818 (1984 dollars)
Escalate @ 0.92%* - \$1,550,957 (1985 dollars)
Escalate @ 3.79%** - \$1,609,738 (1986 dollars)
Escalate @ 3.79% - \$1,670,746 (1987 dollars)
Escalate @ 3.79% - \$1,734,068 (1988 dollars)
Escalate @ 3.79% - \$1,799,789 (1989 dollars)

Valley Camp should now post \$1,799,789 for this five-year permit term.

Price River Coal Company:

Presently posted - \$2,532,847 (1983 dollars)
Escalate @ 1.04%* - \$2,559,199 (1984 dollars)
Escalate @ 0.92%* - \$2,582,743 (1985 dollars)
Escalate @ 3.79%** - \$2,680,629 (1986 dollars)
Escalate @ 3.79% - \$2,782,225 (1987 dollars)
Escalate @ 3.79% - \$2,887,671 (1988 dollars)
Escalate @ 3.79% - \$2,997,114 (1989 dollars)

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Price River Coal Company should now post \$2,997,114
for this five-year permit term.

If you require further information in this matter,
please let me know. The OSM as well as the operator should be
apprised of the changes in the bond amounts.

*Actual escalation rate from the Means Historical Cost Index.

**Average of the escalation rate for three preceding years from
the Means Historical Cost Index.

btb

cc: Sue Linner
John Whitehead
9075R-40 & 41