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

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August 23, 1995

Wendell A. Koontz
Utah Fuel Company
P.O. Box 719
Helper, Utah 84526

Re: Bond Not Required, Exploration for Winter Quarters/Granger Ridge, Skyline Mine, EXP/007/005-95B, Exploration Folder and Folder #2, Carbon County, Utah

Dear Mr. Koontz:

The reclamation cost estimate for the exploration of the Winter Quarter/Granger Ridge Area is adequate as proposed in the application at the sum of \$2,235. This sum will not need to be posted due to the fact that the Skyline Mine currently has a surety bond in the amount of \$3,180,000, (escalated to 1996 dollars with a 10% contingency factor equalling \$318,000).

The proposed reclamation cost is within the contingency and therefore, will not need to be posted for this exploration.

If you have any questions, please call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pamela Grubaugh-Littig".
Pamela Grubaugh-Littig
Permit Supervisor

cc: Steve Demczak