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**From:** "Blackhawk Engineering, Inc." <blackhawk@preciscom.net>  
**To:** "Pete Hess" <petehess@utah.gov>  
**Date:** 12/9/2009 2:24 PM  
**Subject:** Fw: Bond Information  
**Attachments:** Bond Information.pdf

----- Original Message -----

From: Blackhawk Engineering, Inc.  
To: Chris Hansen  
Sent: Thursday, September 24, 2009 1:39 PM  
Subject: Bond Information

Chris,

Here's a copy of the Phase II Bond Release approval for 2/7/8. At that time, the approved bond was \$171,000. Wayne Western recalculated the number with an escalation, so the required new bond amount will be \$178,000. This is still a considerable drop from the \$641,443 presently on the property.

I've talked to Joe Helfrich and Wayne Western about what to do now. They say we just need to have the bonding company reduce the bond, and then send the revised bond information in as an amendment to the plan. Based on this, I think you can just go ahead and reduce the bond to \$178,000. There doesn't appear to be a formal reclamation agreement, so the Division can just approve it as an amendment.

Let me know if you have any questions.

Thanks,  
Dan

Blackhawk Engineering, Inc.  
1056 W 2060 N  
Helper, Utah 84526  
Phone: (435) 637-2422  
Fax: (435) 637-2431



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

March 7, 2007

Chris Hansen, Environmental Manager  
Canyon Fuel Company, LLC  
HC 35 Box 380  
Helper, Utah 84526

Subject: Phase II Bond Release Approved, Gordon Creek #2, #7 and #8, Mountain  
Coal Company, C/007/0016, Task ID #2591, Outgoing File

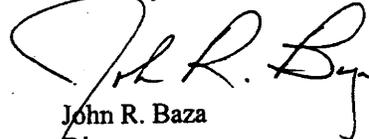
Dear Mr. Hansen:

Phase II bond release for the Gordon Creek #2, #7, and #8 Mine is approved. This bond release is for 32.25 acres and a release of \$85,578. The bond amount of \$171,000 remains to ensure environmental monitoring and reclamation success through Phase III bond release.

OSM concurred with this decision on February 14, 2007 (enclosed).

If you have any questions, please call me or Pamela Grubaugh-Littig.

Sincerely,



John R. Baza  
Director

an

Enclosure

cc: Carbon County Planning and Zoning (certified mail)  
Price Field Office

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## Bonding Calculations

## Direct Costs

Subtotal Demolition and Removal	\$0.00
Subtotal Backfilling and Grading	\$0.00
Subtotal Revegetation	\$0.00
Direct Costs	\$0.00

## Indirect Costs

Mob/Demob	\$0.00	10.0%
Contingency	\$0.00	5.0%
Engineering Redesign	\$0.00	2.5%
Main Office Expense	\$0.00	6.8%
Project Management Fee	\$0.00	2.5%
Subtotal Indirect Costs	\$0.00	26.8%

Total Cost 2009	\$171,000.00
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Number of years	3
Escalation factor	0.013
Escalation	\$6,756.00

Reclamation Cost Escalated	\$177,756.00
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Bond Amount (rounded to nearest \$1,000) 2013 Dollars	\$178,000.00
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## Posted Bond

Difference Between Cost Estimate and Bond Percent Difference	-\$178,000.00
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