



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

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Miner file
 J. Carter
 D. Haddock
 P. Grubbaugh-Letter
 LRB
 UB 12-2-94

December 1, 1994

TO: Lowell P. Braxton, Associate Director

From: Daron R. Haddock, Permit Supervisor *DRH*

RE: Hiawatha request for bond adjustment, U. S. Fuel Company, Hiawatha Mine Complex, ACT/007/011, Folder #2, Carbon County, Utah

At your request I have had Wayne Western of my staff review the reclamation bond at the Hiawatha Mine. This was initiated by U. S. Fuel's assertion that they should receive credit for the reclamation work that they have already accomplished at the site. The attached memo describes the results of Wayne's review.

In summary, the amount of work that U. S. Fuel has accomplished to date transcribes to a dollar amount of \$1,129,342. If this were subtracted from the currently held bond amount, one would expect the remaining cost to complete reclamation to be \$2,649,658. However, the current bond estimate (\$3,779,000) calculated in 1991, contained some discrepancies. When these have been corrected the Division's estimated cost to complete reclamation at the Hiawatha mine amounts to \$3,206,000 in 1996 dollars.

RECOMMENDATION

It has been determined that the cost to complete reclamation at the Hiawatha complex, using U. S. Fuels approved methodologies and plans, would amount to an estimated \$3,206,000. It is recommended that the bond guaranteeing reclamation at the Hiawatha complex should be in the amount of \$3,206,000.

Jim: We are expecting a written request for to adjust the bond to credit work actually completed to date, per Wayne's calculations. Dave, Daron, Pam and I should meet after we get the written request, and consider to request in light of the above.

LRB 12/2

