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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

JK

August 5, 2008

Shawn Baker, Resident Agent
Hiawatha Coal Company
P.O. Box 1240
Huntington, Utah 84528

Subject: Return of Phase I Bond Release, Task ID # 3015, Hiawatha Coal Company, Hiawatha Mine, C/007/0011

Dear Mr. Baker:

The Division received your application for Phase I Bond release on July 21, 2008. We are returning it because the reclamation cost estimate that you based the bond release on has not been incorporated into the Mining and Reclamation Plan. Part of the settlement arrangement for the Cessation Order (Citation 10026) was that the reclamation cost estimate be revised. The reclamation cost estimate was revised but you have not submitted it for incorporation into the MRP. Therefore, the Division cannot proceed because the reclamation cost estimate that you submitted does not match the information in the MRP.

Once the revised reclamation cost estimate has been incorporated into the mining and reclamation plan then the Division can process the Phase I Bond release application. Copies that were submitted to our office are being returned. We look forward to receiving your revised plans.

If you have any questions, please call me at (801) 538-5262.

Sincerely,

A handwritten signature in black ink, appearing to read "J.D. Smith".

James D. Smith
Permit Supervisor

an
Enclosure
cc: Price Field Office
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