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From: Mark Reynolds <mark.reynolds@hiawathacoal.com>
To: Angela Nance <angelanance@utah.gov>
CC: Dana Dean <danadean@utah.gov>, <OGMCOAL@utah.gov>
Date: 2/4/2009 3:52 PM
Subject: Re: Exhibit D for Hiawatha Bond Reduction
Attachments: page 15.pdf

Angela,

You are using the wrong numbers. The bond amount should be 2.421 and not 2.441. You are leaving out an adjustment we agreed on when we corrected some of Wayne's mistakes. Please see the attached page 15 of Task ID # 3104 where the Division states the correct amount and the fact that we are over bonded by \$584,000.

Mark

Angela Nance wrote:

- > Hi Elliott/Mark,
- >
- > Attached please find Exhibit "D" - Stipulation to Revise Reclamation Agreement and an Affidavit of Qualification for the Permittee. Please complete these documents as a result of the Phase I Bond Release at the Hiawatha Mine.
- >
- > If you have an questions - please do not hesitate to contact me.
- >
- > Thank you,
- > Angela
- > Bond Coordinator
- > angelanance@utah.gov
- >
- >
- >
- >

GENERAL CONTENTS

Total Cost Phase I Earthwork		\$392,086.00	
Total Cost Phase I Vegetation		\$463,985.00	
		\$1,011,016.00	
Escalation factor		0.032	0.032
Number of years		1	1
Escalation	\$60,219.00		
Phase I Demolition		\$4,958.00	
Phase I Earthwork		\$12,547.00	
Phase I Vegetation		\$14,848.00	
		\$32,353.00	
Total Demolition and Removal Phase I		\$159,903.00	
Total Backfilling and Grading Phase I		\$404,633.00	
Total Revegetation Phase I		\$478,833.00	
Total Phase I		\$1,043,369.00	
60% of Phase I		\$629,152.00	
Demolition and Earthwork		\$564,536.00	
Bond Still Needed		\$478,833.00	
Direct Costs			
Reclamation Cost Escalated	\$1,942,075.00	\$0.00	\$1,942,075.00
Phase I Bond Release 2008 maximum		\$564,536.00	
Bond Amount (rounded to nearest \$1,000) 2009 Dollars	\$1,942,000.00	\$479,000.00	
Reclamation Cost Estate 2009 Dollars	\$2,421,000.00		
Posted Bond 2008	\$3,005,000.00		
Difference Between Cost Estimate and Bond	\$584,000.00		
Percent Difference	54.74%		

R645-301-880.300 states: "The Division **may** release all or **part** of the bond for the entire permit area if the Division is satisfied that **all** the reclamation or a **phase** of the reclamation covered by the bond or portion thereof has been accomplished in accordance with the following scheduled for reclamation of Phases I, II and III:" (emphasis added).