



STATE OF UTAH

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R. PAUL VAN DAM - ATTORNEY GENERAL

236 STATE CAPITOL • SALT LAKE CITY, UTAH 84114 • TELEPHONE: 801-538-1015 • FAX NO. 801-538-1121

JOSEPH E. TESCH
CHIEF DEPUTY ATTORNEY GENERAL

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July 17, 1989

DIVISION OF
OIL, GAS & MINING

Harrie F. Lewis
SHERMAN & HOWARD
633 Seventeenth Street
Suite 3000
Denver, Colorado 80202

Dear Hal:

In response to the Amended Order on Distribution of Proceeds to Administration Expense Claimants, the State of Utah, Division of Oil, Gas and Mining hereby submits its administrative expense claim for the cost of reclamation of the Wellington Preparation Plant and the Geneva (Horse Canyon) Mine.

Although the initial reclamation cost estimates submitted by Kaiser Coal Corporation for the two individual sites totaled to \$5,913,000, the Division has agreed that the current estimated cost of reclamation is \$2,591,000 for the Wellington Preparation Plant and \$918,649 for the Geneva (Horse Canyon) Mine.

The State is well aware that these two sites are currently under a sales contract and that the closing date for the Wellington Preparation Plant is imminent. Until, however, the State receives a bond from these or other parties, or until the sites are reclaimed, the reclamation of these coal operations remains Kaiser's responsibility.

If you need specific breakdowns of these reclamation cost estimates or any other supporting information, please contact me.

Very truly yours,


Barbara W. Roberts
Assistant Attorney General