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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

November 3, 1999

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Re: Information on Bond Adjustment, Canyon Fuel Company, LLC, Soldier Canyon Mine, ACT/007/018, File #2, Carbon County, Utah

Dear Mr. Olsen:

It is my understanding that informal discussions have been occurring between our respective staff people on the subject of bond adjustment. During the recent Midterm review of the Soldier Canyon Mine, it was noted that the reclamation bond covers a preparation plant and waste rock disposal facility that were never constructed. It was also suggested that the permittee may wish to apply for a reduction in the bond amount to more accurately reflect the cost to reclaim actual constructed facilities. In order to do this an application would need to be made to the Division, which would include a revised cost estimate.

Wayne Western, Senior Reclamation Specialist, has completed an informal analysis of your bond, which should be useful to you if you intend to pursue the bond adjustment. A copy is enclosed for your information.

Please call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor

tm

enclosure

cc: Chris Hansen
Price Field Office

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