



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

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May 25, 1995

TO: Daron Haddock, Permit Supervisor

FROM: Wayne H. Western, Reclamation Engineer *WHW*

RE: Clarification of Bond Amount, Bond Adjustment and Remote Fan Installation, Andalex Resources, Inc., Centennial Project, ACT/007/019, Folder #2, Carbon County, Utah

#2 Permit Bonded

Background:

In my memo of February 15, 1995 I said that reclamation bond amount for the Centennial Project was \$699,000. The Centennial Project has two bonds, one for \$699,000 and the other is \$381,839. The total bond amount is \$1,080,839.

In my memo of December 5, 1994 I said that estimated cost to reclaim the remote fan installation is \$7,540. I implied that no additional bond was required for the reclamation bond.

Current Situation and Recommendation:

Usually the Division only requires the Operator to post additional bond if the estimated reclamation cost exceeds the current bond amount by 5%. Since the reclamation cost for the remote fan installation is less than 1% of the total bond amount no increase in the reclamation bond is needed at this time.

CENBOND.WHW

