



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

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August 7, 1997

Mike Glasson, Sr. Geologist
Andalex Resources, Inc.
6750 Airport Road
P. O. Box 902
Price, Utah 84501

Re: Bond Adjustment Associated with Mid Term Review, Andalex Resources Inc., Wildcat Loadout, ACT/007/033, Folder #3, Carbon County, Utah

Dear Mr. Glasson:

As part of the Midterm permit review for the Wildcat Loadout, the Division has conducted a review of the reclamation cost estimate. Based on the existing plan and the information provided during the review, it has been determined that the reclamation bond for the Wildcat Loadout should be \$869,000.00. In accordance with R645-301-830.400, Andalex must post the additional bond to achieve at least the amount stated above by no later than September 8, 1997.

Andalex may request reduction of the bond amount upon submission of evidence that the permittee's method of operation or other circumstances reduces the estimated cost of reclamation. Also if desired, Andalex may request an informal conference on the adjustment as provided in the above regulations.

A copy of the Division's bond cost summary is enclosed for your information and files.

If you have any questions, please don't hesitate to call me or Wayne Western.

Sincerely,

Daron R. Haddock
Permit Supervisor