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

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October 5, 1995

TO: File

FROM: Jess Kelley, Reclamation Engineer *JK*

RE: Bond Increase Due to Reclamation Cost Estimate Escalation, Banning Siding Loadout, Soldier Creek Coal Company, ACT/007/034, Folder #2, Carbon County, Utah

SYNOPSIS

This writer recently examined the reclamation cost estimate for this site to determine if it had been escalated properly and if, therefore, the reclamation bond was adequate. This memorandum contains the writer's findings from this examination.

ANALYSIS

The reclamation cost estimate, escalated through 1998 (the current permit term ends October 25, 1998), is \$311,275 and is found on page 5-82a of the plan. Since the bond is for only \$211,000 (last revised in 1993), it is not adequate and must be increased.

FINDINGS/RECOMMENDATIONS

The bond is not adequate to cover the escalated reclamation cost estimate. It is recommended that the Division require the permittee, by Division Order, to increase the bond to at least the \$311,275 escalated total of the reclamation cost estimate.

cc: Daron Haddock
Pamela Grubaugh-Littig
BNDESC95.BAN

