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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Salt Lake City, Utah 84180-1203

801-538-5340

October 28, 1988

Mr. Robert L. Neill, Jr.
Environmental Power Corporation
2920 North Academy Blvd.
Suite 201
Colorado Springs, Colorado 80417

Dear Mr. Neill:

Re: Permit Transfer, Environmental Power Corporation, Sunnyside Coal Refuse Area, ACT/007/035, Carbon County, Utah

The Division has completed review of your September 2 and September 23, 1988 application for transfer of a portion of the Kaiser Sunnyside Mine permit area to Environmental Power Corporation (EPC). The Division will proceed with a stipulated permit transfer upon submittal of the following information:

1. A map identifying the area of land for which the bond will be posted must be submitted, (UMC 784.23(b)).
2. A current Certificate of Insurance for insertion as Figure II-1 of the application must be submitted, (UMC 782.18).
3. Page 2 of the Permit Application Package (PAP) must be revised to reflect EPC as the new operator. (UMC 782.13(a)(5)).
4. Information addressing the requirements of UMC 782.17 must be included in the PAP (i.e. anticipated starting and termination duties for coal mining activities).
5. Proof of publication of this transfer must be submitted to the Division, (UMC 788.18(b)(1)).

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October 27, 1988

6. Miscellaneous minor corrections:

- Page 2 should designate EPC's phone number, (782.13(a)(1)), and
- Page 4 should include the correct address for the Bureau of Land Management, (782.13(e)).

Please supply this information to the Division by November 18, 1988.

Attached is the Reclamation Bond Summary detailing costs to be covered by the bond.

If you have any questions, please call Ken May or John Whitehead.

Best regards,



Dianne R. Nielson
Director

cl
cc: E. Barton
S. Ellinwood
BT34/7-8

RECLAMATION BOND SUMMARY

AREA DESCRIPTION: Refuse disposal areas, including coarse refuse, industrial waste borrow areas, and slurry ponds

Vegetation Type: Pinyon -juniper and grass

Reclaimable Acres: 169.2

Total Reclamation Cost: (Based on Kaiser Sunnyside Reclamation Estimate in 1985 dollars)

Structure Removal	\$2,228
Pond Reclamation	\$50,819
Ripping, Pushing, Regrading and Borrow Soils	\$724,395
Soil Testing, Fertilizer & Seed Bed Preparation	\$33,388
Revegetation	\$106,044
Field Supervisor (3 months)	\$10,500
Project Manager (6 months)	\$30,770
Monitoring	\$100,000
Subtotal	\$1,058,144
Contingency at 10%	\$105,814
Total Bond for Sunnyside Fuel	\$1,163,958 (1985 dollars)

<u>Escalation Factors</u>	<u>Year Dollars</u>
1985 - .92% - \$1,174,666	1986
1986 - 2.9% - \$1,208,732	1987
1987 - 2.1% - \$1,234,115	1988
1988 - 1.9% - \$1,257,563	1989
1989 - 2.3% - \$1,286,487	1990