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

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April 20, 1998

TO: File

THRU: Joe Helfrich, Permit Supervisor *JH*

FROM: Wayne Western, Senior Reclamation Specialist *W W*

RE: Degasification Wells, Cyprus Plateau Mining Company, Willow Creek Mine, ACT/007/038-97K, File #2, Carbon County, Utah

SUMMARY:

The Division determined that the current bond of \$11,949,205 is adequate and that no adjustment is needed for two degasification wells.

ANALYSIS:

Jess Kelley reviewed the reclamation cost estimate for the degasification wells. Mr. Kelley determined the reclamation costs for reclaiming the degasification well site was \$60,396.

The current reclamation bond for the Willow Creek Mine is \$11,949,205. The addition bond amount of \$60,396 results in a 0.5% increase to the current bond amount. The Division has an unwritten policy not to increase the bond for new amendments unless there is a cumulative 5% increase in reclamation costs.

On April 17, 1998, Joe Helfrich, Jess Kelley and Wayne Western discussed the reclamation costs for the degasification well site. They found that the 5% trigger had not been reached and that no additional bond needed to be posted.

FINDINGS:

The Permittee met the minimum requirements of R645-301-800 with respect to determining and posting the reclamation bond for the degasification wells.