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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 30, 1997

TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

FROM: Wayne H. Western *w/w*

RE: Division's Reclamation Cost Estimate, Canyon Fuel Company, LLC, Dugout Canyon Mine, PRO/007/039, File #2, Carbon County, Utah

Summary:

The Applicant requested an informal reclamation cost estimate from the Division for the Dugout Mine. The Applicant wants to begin the process to obtain a reclamation bond. Before proceeding with the bond application the Applicant wants to know the approximate bond amount.

Analysis:

The Division reviewed the Applicant's reclamation cost estimate and determined the information inadequate. The Applicant needs to provide the Division with equipment productivity information and haul distance. Until that information is received the Division cannot make a formal determination of the bond amount.

The Division did review the reclamation estimate in the PAP. If the Applicant can verify that the equipment productivity values and haul distances that they used in the reclamation cost estimate are correct then the reclamation bond would be \$871,000. **Warning the \$871,000 is an estimate based on the information a version of the PAP that the Division determined was inadequate. The bond amount could increase or decrease when the Division reviews new information.**

Finding:

The Division has determined that the information in the PAP does not meet the requirements of R645-301-830 at this time. Therefore, the Division cannot determine the bond

Page 2
PRO/007/039
October 30, 1997

amount at this time.

The Division reviewed the information in the PAP and based upon that information determined the reclamation amount to be \$871,000.

Recommendation:

The Applicant should be given the Division's reclamation cost estimate. The Applicant should be warned that reclamation cost amounts could change when the Division gets more information.

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