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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

October 24, 1998

TO: File

THRU: Pam Grubaugh-Littig, Permit Supervisor *pgl*

THRU: Daron Haddock, Permit Supervisor *DH*

THRU: Joe Helfrich, Permit Supervisor *JH*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Dugout Canyon Mine Bond Calculations, Canyon Fuel Company, LLC, Dugout Canyon Mine, ACT/007/039, File #2, Carbon County, Utah

In a letter dated October 13, 1998, the Division told the Operator of the Dugout Canyon Mine that the reclamation bond amount was \$3,682,000 in 2003 dollars. The Division calculated the reclamation cost estimate that was used to establish the bond amount. A copy of the calculations and the supporting information will be placed in the folder #2 of the 1998 Dugout Canyon Mine file. In the future the reclamation cost estimates for each mine will be placed in the respective files.

The Division will update the files whenever the bond amount changes. Hopefully anyone will be able to verify how the bond has calculated and when it was escalated.

Please let me know if you have ^{been} any questions or concerns about how the reclamation cost estimates are stored.