



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

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March 25, 1999

TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

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

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

RE: Field Visit to Evaluate Reclamation Bond, Consolidation Coal Company, Emery Deep Mine, ACT/015/015, File #2, Carbon County, Utah

On March 25, 1999, I meet with Brian Butts, of Consolidation Coal, to discuss the reclamation bond amount for the Emery Deep Mine. The Permittee calculated the reclamation cost to be \$950,678, while the Division calculated the amount to be \$1,473,000. The main reason for the difference was the unit costs. Brian used contractor quotes while the Division used BlueBook rental rates. I explained that the Division uses third party quotes for unit costs whenever possible.

I told Brian that the Division wanted to know how the current bond amount of \$3,400,000 was calculated. Brian said "He was unable to find the calculation used to arrive at the \$3,400,000 bond." We both agreed that the current bond of \$3,400,000 was adequate.

I asked Brian if he wanted a bond reduction. Brian stated that the bond had a one time only premium and that the company had nothing to gain if the amount was reduced. If the bond was reduced and the Permittee later needed to increase the bond then additional payments would have to be made. Brian requested that the bond amount remain constant.

The reclamation bond for the Emery Deep mine is currently \$3,400,000.