



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

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September 25, 1996

File

TO: File
THRU: Daron Haddock, Permit Supervisor *DQH*
Pamela Grubaugh-Littig, Permit Coordinator *pgl*
FROM: Jess Kelley, Reclamation Specialist *JK*
RE: Approval of Response to Division Order DO-96A, Deer Creek Mine, PacifiCorp, ACT/015/018, Folder #2, Emery County, Utah

SYNOPSIS

On July 9, 1996, the Division issued Division Order 96A. This Division Order required that the permittee 1) properly escalate the reclamation cost estimate, and 2) increase the reclamation bond accordingly, for this mine. On September 18, 1996, the permittee submitted a response to the Division Order. This memorandum constitutes this writer's review and approval of that submittal.

ANALYSIS

The permittee escalated the reclamation cost estimate using the following Means® escalation factors, as required by the division order.

<u>Year</u>	<u>Escalation Factor*</u>
1993	2.61 %
1994	3.21 %
1995	1.93 %
1996 (and beyond)	2.58 %

The total reclamation cost estimate thus obtained is \$2,288,903, in year 2000 dollars.



As required by the division order, the permittee increased the reclamation bond to \$2,500,000 to cover the reclamation cost estimate as well as any small, unforeseen contingencies. The permittee also revised the reclamation agreement to take into account both the increased reclamation bond amount and the area added by the Rilda Canyon extension as well.

FINDINGS/RECOMMENDATIONS

The September 18, 1996 submittal fulfills the requirements of the division order. The revised reclamation agreement is in compliance with the applicable regulations. It is recommended that the Division approve this submittal and include it as part of the approved plan and that Division Order DO-96A be terminated.

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