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TRANSACTION REPORT

P.01

JAN-24-2003 FRI 10:52 AM

FOR: OIL, GAS & MINING

801 359 3940

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

DRH  
OK

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Michael O. Leavitt  
 Governor  
 Robert L. Morgan  
 Executive Director  
 Lowell P. Braxton  
 Division Director

January 14, 2003

Chuck Semborski, Environmental Supervisor  
 Energy West Mining Company  
 P.O. Box 310  
 Huntington, Utah 84528

Post-it <sup>®</sup> Fax Note	7671	Date	1-24-03	# of pages	2
To	Dennis Oakley		From	Daron Haddock	
Co./Dept	Energy West		Co.	DOGM	
Phone #		Phone #	801 538-5325		
Fax #	435 687-2695		Fax #		

Re: Conditional Approval of Revision to Reclamation Plan Highwall Elimination, Energy West Mining Company, Deer Creek Mine, C/015/018 AM99C-7, Outgoing File

Dear: Mr. Semborski:

The above-referenced amendment is conditionally approved upon receipt of seven clean copies prepared for incorporation. Please submit these copies by February 3, 2003. Once we receive these copies final approval will be granted, at which time you may proceed with your plans.

A stamped incorporated copy of the approved plans will also be returned to you at that time for insertion into your copy of the Mining and Reclamation Plan. A copy of our Technical Analysis is

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Energy West Mining Company  
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Enclosed is a copy of the reclamation cost estimate (bond calculations) that was developed by Wayne Western and Dennis Oakley. The reclamation cost estimate needs to be incorporated into the MRP. Please submit the reclamation cost estimate under a separate amendment.

If you have any questions, please call me at (801) 538-5325 or Wayne Western at (801) 538-5263.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock".

Daron Haddock  
Permit Supervisor

an  
Enclosure  
cc: Price Field Office  
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**Bonding Calculations  
Deer Creek Mine**

**Direct Costs**

Subtotal Demolition	\$817,369.00
Subtotal Backfilling and Grading	\$714,514.00
Subtotal Revegetation	\$238,516.00
<b>Direct Costs</b>	<b>\$1,770,399.00</b>

**Indirect Costs**

Mob/Demob	\$177,040.00	10.0%
Contingency	\$88,520.00	5.0%
Engineering Redesign	\$44,260.00	2.5%
Main Office Expense	\$120,387.00	6.8%
Project Mainagement Fee	\$44,260.00	2.5%
<b>Subtotal Indirect Costs</b>	<b>\$474,467.00</b>	<b>26.8%</b>

Total Cost in 2002 Dollars \$2,244,866.00

Escalation factor	0.0282
Number of years	2
Escalation	\$128,396.00

Reclamation Cost 2004 \$2,373,262.00

Bond Amount (rounded to nearest \$1,000) \$2,373,000.00