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Utah Division of Oil, Gas, and Mining  
Coal Program  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

June 11, 2019

**Subject: Amendment to Update the Deer Creek Reclamation Bond Estimate, PacifiCorp, Deer Creek Mine, C/015/0018, Emery County, Utah, Task #5924**

PacifiCorp, by and through its wholly-owned subsidiary, Interwest Mining Company (as mine manager), hereby submits the required clean copies to update the Deer Creek MRP to escalate the reclamation bond amount to 2023 dollars.

As required by the Division and the Phase I Bond Release requirements, PacifiCorp is updating the bond from the current 2018 dollars to 2023 dollars or until Deer Creek Mine's next mid-term evaluation. The current bond has been estimated at \$3,374,000. The revised reclamation estimate escalated to 2023 is \$3,600,789. The difference is \$226,789. Rounded up to the nearest \$1,000, the new amount is \$3,601,000. PacifiCorp has updated the reclamation agreement and provided the Division an increased rider bond for the \$3,601,000.

Included with this submittal are the amended pages showing the bond escalated to 2023. The revisions to the MRP (revising the first four pages of the Reclamation Bond Estimates) are as follows:

- ◆ Volume 2, Part 4, R645-301-800, replace Reclamation Bond Estimates cover page.
- ◆ Volume 2, Part 4, R645-301-800, replace Bonding Calculations Including Rilda Canyon Portals (Summary Page).
- ◆ Volume 2, Part 4, R645-301-800, replace Deer Creek Mine page.
- ◆ Volume 2, Part 4, R645-301-800, replace Rilda Canyon page.

If you have any questions or concerns regarding this amendment application, please contact me at 435-687-4712 or Chuck Semborski at 435-687-4720.

Sincerely,

Kenneth S. Fleck  
Manager of Geology and Environmental Affairs

Encl.

Cc Scott Child  
File

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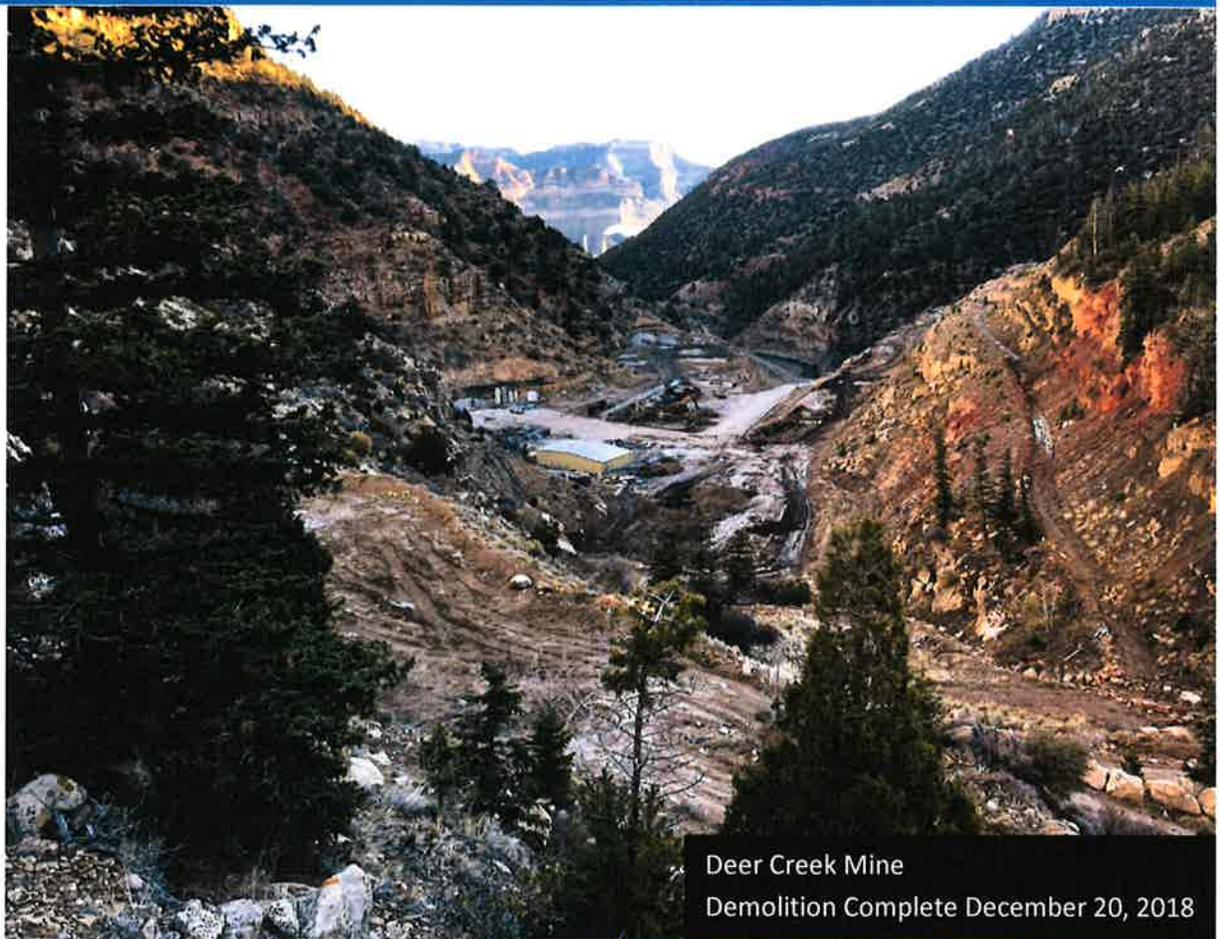
DIV OF OIL, GAS & MINING



2011

Revised April 2019

# Deer Creek Mine: Reclamation Cost Estimates



Deer Creek Mine  
Demolition Complete December 20, 2018

**INCORPORATED**

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**Div. of Oil, Gas & Mining**

PacifiCorp – Interwest Mining Company  
01/01/2011

**Bonding Calculations  
Deer Creek Mine - including Rilda Canyon Portal Facilities**

<b>Deer Creek Mine Facilities</b>		
<u>Direct Costs (2003 Costs)</u>		
Subtotal Demolition,	\$779,235	
Subtotal Backfilling and Grading	\$823,312	
Subtotal Revegetation	\$72,966	
<b>Direct Costs Total</b>	<b>\$1,675,513</b>	
<u>Indirect Costs</u>		
Mob/Demob	\$167,551	10.0%
Contingency	\$83,776	5.0%
Engineering Redesign	\$41,888	2.5%
Main Office Expense	\$113,935	6.8%
Project Management Fee	\$41,888	2.5%
<b>Indirect Costs Totals</b>	<b>\$449,038</b>	<b>26.8%</b>
<b>Total Cost in 2003 Dollars</b>	<b>\$2,124,551</b>	
<u>Escalation (refer to Deer Creek Escalation Sheet for Escalation Factors)</u>		
Deer Creek Mine Facilities Total Reclamation Cost 2004 Dollars	\$2,184,463	
Deer Creek Mine Facilities Total Reclamation Cost 2005 Dollars	\$2,246,065	
Deer Creek Mine Facilities Total Reclamation Cost 2006 Dollars	\$2,288,975	
Deer Creek Mine Facilities Total Reclamation Cost 2007 Dollars	\$2,292,118	
Deer Creek Mine Facilities Total Reclamation Cost 2008 Dollars	\$2,315,498	
Deer Creek Mine Facilities Total Reclamation Cost 2009 Dollars	\$2,345,599	
Deer Creek Mine Facilities Total Reclamation Cost 2010 Dollars	\$2,376,092	
Deer Creek Mine Facilities Total Reclamation Cost 2011 Dollars	\$2,406,981	
Deer Creek Mine Facilities Total Reclamation Cost 2012 Dollars	\$2,447,900	
Deer Creek Mine Facilities Total Reclamation Cost 2013 Dollars	\$2,489,514	
Deer Creek Mine Facilities Total Reclamation Cost 2014 Dollars	\$2,531,836	
Deer Creek Mine Facilities Total Reclamation Cost 2015 Dollars	\$2,574,877	
Deer Creek Mine Facilities Total Reclamation Cost 2016 Dollars	\$2,618,650	
Deer Creek Mine Facilities Total Reclamation Cost 2017 Dollars	\$2,636,980	
Deer Creek Mine Facilities Total Reclamation Cost 2018 Dollars	\$2,655,439	
Deer Creek Mine Facilities Total Reclamation Cost 2019 Dollars	\$2,702,706	
Deer Creek Mine Facilities Total Reclamation Cost 2020 Dollars	\$2,750,814	
Deer Creek Mine Facilities Total Reclamation Cost 2021 Dollars	\$2,799,779	
Deer Creek Mine Facilities Total Reclamation Cost 2022 Dollars	\$2,849,615	
<b>Total Cost in 2023 Dollars</b>	<b>\$2,900,338</b>	
<b>Deer Creek Mine - Rilda Portal Facilities</b>		
<u>Direct Costs Total</u>		
Subtotal Demolition,	\$357,280	
Subtotal Earthwork	\$91,473	
Subtotal Revegetation	\$9,687	
<b>Direct Costs Total</b>	<b>\$458,440</b>	
<u>Indirect Costs</u>		
Mob/Demob	\$45,844.04	10.0%
Contingency	\$22,922.02	5.0%
Engineering Redesign	\$11,461.01	2.5%
Main Office Expense	\$31,173.94	6.8%
Project Management Fee	\$11,461.01	2.5%
<b>Indirect Costs Totals</b>	<b>\$122,862.01</b>	<b>26.8%</b>
<b>Rilda Canyon Portal Facilities Total Cost in 2011 Dollars</b>	<b>\$581,302.37</b>	
<u>Escalation (refer to Rilda Canyon Escalation Sheet for Escalation Factors)</u>		
Rilda Canyon Portal Facilities Total Cost in 2012 Dollars	\$591,185	
Rilda Canyon Portal Facilities Total Cost in 2013 Dollars	\$601,235	
Rilda Canyon Portal Facilities Total Cost in 2014 Dollars	\$611,456	
Rilda Canyon Portal Facilities Total Cost in 2015 Dollars	\$621,850	
Rilda Canyon Portal Facilities Total Cost in 2016 Dollars	\$632,422	
Rilda Canyon Portal Facilities Total Cost in 2017 Dollars	\$638,849	
Rilda Canyon Portal Facilities Total Cost in 2018 Dollars	\$641,307	
Rilda Canyon Portal Facilities Total Cost in 2019 Dollars	\$652,722	
Rilda Canyon Portal Facilities Total Cost in 2020 Dollars	\$664,340	
Rilda Canyon Portal Facilities Total Cost in 2021 Dollars	\$676,166	
Rilda Canyon Portal Facilities Total Cost in 2022 Dollars	\$688,201	
<b>Total Cost in 2023 Dollars</b>	<b>\$700,451</b>	
<b>Deer Creek Mine Complex -Total Reclamation Bond</b>		
<b>Total Deer Creek Mine Complex Reclamation Costs in 2023 Dollars</b>	<b>\$3,600,789</b>	
<b>Bond Amount (rounded to nearest \$1,000)</b>	<b>\$3,601,000</b>	

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## DEER CREEK MINE

Revised April 2019

Direct Costs (2003 Costs)

Subtotal Demolition,	\$	779,235
Subtotal Backfilling and Grading	\$	823,312
Subtotal Revegetation	\$	72,966
<b>Direct Cost</b>	<b>\$</b>	<b>1,675,513</b>

Indirect Cost +26.8%	26.8%	\$	449,037
<b>Total Cost in 2003 dollars</b>		<b>\$</b>	<b>2,124,550</b>

Escalate 2.82% for 2 years to 2005	\$	2,184,463	\$59,912.32	2004
	\$	2,246,065	\$61,601.85	2005
Escalate 1.02% for 3 years to 2008	\$	2,268,975	\$22,909.86	2006
	\$	2,292,118	\$23,143.54	2007
	\$	2,315,498	\$23,379.60	2008
Escalate 1.30% for 3 years to 2011	\$	2,345,599	\$30,101.47	2009
	\$	2,376,092	\$30,492.79	2010
	\$	2,406,981	\$30,889.19	2011
Escalate 1.70% for 5 years to 2016	\$	2,447,900	\$40,918.68	2012
	\$	2,489,514	\$41,614.30	2013
	\$	2,531,836	\$42,321.74	2014
	\$	2,574,877	\$43,041.21	2015
	\$	2,618,650	\$43,772.91	2016
Escalate 0.70% for 2 years to 2018	\$	2,636,980	\$18,330.55	2017
	\$	2,655,439	\$18,458.86	2018
Escalate 1.78% for 5 years to 2023	\$	2,702,706	\$47,266.82	2019
	\$	2,750,814	\$48,108.17	2020
	\$	2,799,779	\$48,964.50	2021
	\$	2,849,615	\$49,836.06	2022

<b>\$2,900,338.06</b>	<b>\$50,723.15</b>	<b>2023</b>
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Yearly Escalation Factors Provided by DOGM

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## Rilda Canyon

Revised April 2019

Direct Costs (2003 Costs)

Subtotal Demolition,	\$	357,280.00
Subtotal Backfilling and Grading	\$	91,473.16
Subtotal Revegetation	\$	9,687.19
<b>Direct Cost</b>	<b>\$</b>	<b>458,440.35</b>

<b>Indirect Cost +26.8%</b>	26.8%	\$	122,862.01
<b>Total Cost in 2011 dollars</b>		\$	<b>581,302.36</b>

<b>Escalate 1.70% for 5 years to 2016</b>	\$	591,185	\$9,882.14	2012
	\$	601,235	\$10,050.14	2013
	\$	611,456	\$10,220.99	2014
	\$	621,850	\$10,394.75	2015
	\$	632,422	\$10,571.46	2016
<b>Escalate 0.70% for 2 years to 2018</b>	\$	636,849	\$4,426.95	2017
	\$	641,307	\$4,457.94	2018
<b>Escalate 1.78% for 5 years to 2023</b>	\$	652,722	\$11,415.26	2019
	\$	664,340	\$11,618.45	2020
	\$	676,166	\$11,825.26	2021
	\$	688,201	\$12,035.75	2022
		<b>\$700,451.43</b>	<b>\$12,249.99</b>	<b>2023</b>

Yearly Escalation Factors Provided by DOGM

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JUN 25 2019

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