

0018

*OK Internal
c/015/0032*

From: Priscilla Burton
To: Daron Haddock
CC: Jim Smith; OGMCOAL; Wayne Western
Date: 4/9/2008 2:14 PM
Subject: Re: Crandall Canyon Bond
Place: OGMCOAL

Thank you for the update. To clarify, all drill pads and access roads are on SITLA ground too.

Along with the UEI bond, we should have notification from the USFS that they are bonding for their road segment.

Did you ever get a hold of Jim Kohler to discuss the BLM lease bond?

>>> Daron Haddock Wednesday, April 09, 2008 2:00 PM >>>

Dave,

We have reviewed the bond situation at the Crandall Canyon mine. You currently have \$1,654,000 posted in 2007 dollars. Considering inflation, in order for you to have adequate bond we have determined that you should post an additional \$43,800 which will escalate the bond to 2011 dollars. Now to provide bond for the reclamation of the East Mountain drill sites and roads the following also needs to be provided.

For Reclamation of the Drill pads and access roads---\$268,196.

For Reclamation of the SITLA road \$95,279. These figures have already been escalated to 2011 dollars.

This makes a total of \$407,275 that needs to be posted with DOGM. I hope this helps you in securing the bonds for this site. We would anticipate that the above amount be posted by the end of this month. Thanks and please call if you have any questions.

Sincerely,
Daron R. Haddock
Permit Supervisor