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

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May 20, 1997

TO: File

THRU: Daron Haddock, Permit Supervisor *DQH*

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

RE: Reclamation Cost Estimate, Canyon Fuel Company, LLC, SUFCO Mine, ACT/041/002, File #2, Seveir County, Utah

Summary:

On January 21, 1997, the Division received the Permittee's reclamation cost estimate for the SUFCO Mine. The Permittee's reclamation cost estimate is \$4,439,000. The Division's reclamation cost estimate is \$3,077,000.

Analysis:

In April 1995, The Permittee estimated the reclamation cost SUFCO Mine. In January 1997 the Permittee submitted a revised reclamation cost estimate based on the 1995 submittal. The Division, which reviewed the Permittee's reclamation cost estimate in April 1997, discovered some minor errors on the cut and fill calculations. The Division informed Permittee of the error. The Permittee told the Division that they are planning a major expansion and will redo most of the earthwork calculations. Both parties agreed that the error was minor and would be corrected either at the next permit renewal or when the Permittee submits an amendment that involves earthwork calculations.

R645-301-830.110 requires that the Division determine the bond amount. The Division determined that the bond amount for the SUFCO Mine must not be less than \$3,077,000. The Division will allow the Permittee to post a higher bond. Sometimes a permittee will post a higher bond because of anticipated expansions or they want the additional protection.

Findings:

The Division has determined that if the Permittee posts a reclamation bond of not less than \$3,077,000 then they will be adequately bonded.

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