



Suzanne Steab <suzannesteab@utah.gov>

Sufco Bond

Cheryl Parker <cherylparker@utah.gov>

Wed, Aug 5, 2015 at 9:48 AM

To: Vicky Miller <vmiller@bowieresources.com>, Suzanne Steab <suzannesteab@utah.gov>, OGMCOAL DNR <ogmcoal@utah.gov>

Vicky,

I edited the total sheet, see attached, to help explain the one error on the waste rock and magnet total bond sheet.

The bond amount is only escalated at the point of the Midterm. The text in italics shows those rows. i left them in for informational purposes and disconnected the blue bond cells so that it remains the midterm amount.

So the bond amount original \$3,944,000 only goes up to \$ 3,995,000 with the waste rock, which is within the 5% rule so you don't need to increase the bond amount from the midterm point. Since suzanne already sent you the paper work for that bond amount I think it would be easiest to just use the \$3,944,000 number.

Cheryl Parker, M.S., P.E.

Mine Engineer

801-538-5286

State of Utah

DNR - Division of Oil Gas & Mining

1594 W North Temple, Suite 1210

Salt Lake City, UT 84116

 **Total.xlsx**
17K

Direct Costs

Subtotal Demolition and Removal	\$1,725,442.00	
Subtotal Backfilling and Grading	\$1,261,248.00	
Subtotal Revegetation	\$164,245.76	
Direct Costs	\$3,150,935.76	<i>2014 Dollars</i>

Indirect Costs

Mob/Demob	\$315,094.00	10.0%
Contingency	\$157,547.00	5.0%
Engineering Redesign	\$78,773.00	2.5%
Main Office Expense	\$214,264.00	6.8%
Project Mainagement Fee	\$78,773.00	2.5%
Subtotal Indirect Costs	\$844,451.00	26.8%

Total Cost	\$3,995,386.76	<i>2014 Dollars</i>
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<i>Escalation factor for 2014</i>		<i>0.019</i>
<i>Number of years to next midterm</i>		<i>5</i>
<i>Escalation Amount</i>	<i>\$394,262.00</i>	
<i>Reclamation Cost Escalated</i>	<i>\$ 4,389,649</i>	<i>2019 Dollars</i>

Bond Amount (rounded to nearest \$1,000) 2019 Dollars	\$3,944,000.00
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Posted Bond May 2010	\$2,874,000.00
Difference Between Cost Estimate and Bond	-\$1,121,386.76
Percent Difference	-37.23%