

From: Jill Caverly
To: Bill VonTill
Date: 10/21/03 2:09PM
Subject: Homestake surety

Bill -

I have reviewed the Homestake - Grants cost estimate for the annual surety update. This estimate appears to be a complete re-base lining of costs. I have reviewed the unit costs for the physical reclamation cost portion of the surety. The unit costs are within the tolerances of standard industry costs for the current year. I also verified energy costs to be within tolerances. In addition, the costs of parts and supplies including wellheads are within industry standards. The quantities identified in this estimate were assumed correct.

The limitations of this review were for the unit costs of water analysis sampling, well drilling, pumps and valves. Additional information would be required to verify these costs.

Jill

CC: Robert Nelson