

STATE OF NEBRASKA



E. Benjamin Nelson
Governor

Mr. Steve Collings, President
Crow Butte Resources, Inc.
216 Sixteenth St. Mall, Suite 810
Denver, Co. 80202

October 18, 1996

DEPARTMENT OF ENVIRONMENTAL QUALITY
Randolph Wood
Director
Suite 400, The Atrium
1200 'N' Street
P.O. Box 98922
Lincoln, Nebraska 68509-8922
Phone (402) 471-2186

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Dear Mr. Collings:

On September 25, 1996, the Nebraska Department of Environmental Quality received a copy of the annual surety cost estimate document for the Crow Butte Mine. The Department has reviewed the document and suggests that the following items be incorporated into the document:

- 1). Item #7) b. on page 8 should multiply the amount by 18 months instead of 11 months as listed. The total amount listed in the column does not need to be corrected.
- 2). Item #4) b. for Mine Unit #3 on page 12 should be corrected to \$3,819 from \$3,847 to reflect the actual calculated amount. Subsequent subtotals and totals should also be corrected.
- 3). The costs listed in the Wellfield Reclamation section (section B.) do not reflect the costs associated with reclaiming and seeding roads within the individual Mine Units. Section F. includes costs associated with reclaiming and seeding the main access road, but does not reference the roads within the wellfields. Applicable costs should be attributed to all roads which will need to be reclaimed.
- 4). Section H. does not include any costs associated with abandonment of the wells being utilized in the I-196 Brule Fm. Restoration area. An estimate of these costs should be included in this section.

Please make the aforementioned corrections and additions to the surety cost estimate document at your earliest convenience. If you have any questions or comments concerning the contents of this letter, please contact me at (402) 471-4982. Thank-you for your attention to these items.

Sincerely,

Franklin L. Mills

Franklin L. Mills
UIC Coordinator

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cc: Mr. Joseph J. Holonich

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