



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



July 19, 2016

RECEIVED

JUL 25 2017

DIV. OF OIL, GAS & MINING

Dana Dean, Associate Director
Coal Mining Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

RE: Termination of Action Plan UT-2017-001

Dear Ms. Dean,

As part of its review of a citizen complaint and request for a State program evaluation, the Office of Surface Mining Reclamation and Enforcement (OSMRE) conducted an internal technical review that identified separate, minor programmatic deficiencies. OSMRE subsequently drafted Action Plan UT-2017-001 to address and resolve these minor programmatic issues. The programmatic issues identified related to the Utah Division of Oil, Gas and Mining's (DOG M) administration of the approved Utah coal mining regulatory program (the Utah program) and the implementation of its technical guidance with respect to DOGM's bonding practices. Through Action Plan UT-2017-001, OSMRE and DOGM committed to certain activities necessary to effectively resolve the issues identified and ensure that DOGM is appropriately implementing its technical guidance in accordance with the requirements set forth in the Utah program, the Surface Mining Control and Reclamation Act of 1977 (SMCRA), and the Federal regulations.

Action Plan UT-2017-001, finalized on May 3, 2017, outlined four issues with the following criteria for resolution:

1. DOGM shall revise the language in Tech-007 § 8 to indicate the appropriate distinction between structure removal actions that may be processed as a bond adjustment and those that must undergo bond release procedures. Structure replacement and revision of a reclamation plan may be processed as a bond reduction as long as the disturbed area remains classified as a long-term disturbance which must be retained in support of mining and reclamation operations. Structure removal which occurs under an existing reclamation plan, where the disturbed area is no longer required in support of mining and reclamation operations and should therefore be contemporaneously reclaimed, must undergo bond release procedures. Upon finalization of the revisions to Tech-007 and notification to operators, DOGM shall consistently implement the new guidance in accordance with its approved State program.
2. DOGM shall remove the "Five Percent Rule" provision within Tech-007. Upon finalization of the revisions to Tech-007 and notification to operators, DOGM shall consistently implement the new guidance in accordance with its approved State program.

3. DOGM must revise Tech-007 to reflect actual escalation factor calculation practices (five year averages) and must consistently apply the general cost index which includes all construction divisions from the R.S. Means Book.
4. Following clarifications and changes made to Tech-007 and notification to operators, DOGM will implement improved practices and methods to ensure adequate reclamation cost estimates.

Following DOGM's submission of revised Tech-007 drafts in June and July of 2017, OSMRE provided its comments which DOGM incorporated into a final, signed guidance document dated July 17, 2017. By letter dated July 18, 2017, DOGM notified all coal operators that it will begin implementing practices in accordance with the revised Tech-007 guidance.

Based on the foregoing, OSMRE's Denver Field Branch (DFB) finds that DOGM has satisfied all four criteria for resolution and associated action sequences in a timely manner in accordance with the Action Plan UT-2017-001. Thus, DFB hereby terminates Action Plan UT-2017-001 as DOGM is now implementing the revised Tech-007 guidance.

If you have any questions, please contact me at (303) 293-5026. Thank you for your patience and cooperation.

Sincerely,

A handwritten signature in blue ink that reads "Howard E. Strand". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Howard E. Strand, Manager
Denver Field Branch

C: John Baza, Director, Utah Division of Oil, Gas and Mining
Alexis Long, Denver Field Branch, OSMRE