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STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
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July 17, 1985

CERTIFIED RETURN RECEIPT REQUESTED
P-592-429-586

Mr. Kenneth B. Hutchinson
Price River Coal Company
P.O. Box 629
Helper, Utah 84526

Dear Mr. Hutchinson:

RE: Bond Release, Price River Coal Company, "Goose Island"
Reclamation Project, ACT 007/004, Folder No. 5, 6 & 7,
Carbon County, Utah

The Division has completed inspection of the Goose Island Reclamation Project for Phase I release of surety funds for that site. The Division concurs that the area and the amount requested by Price River Coal Company should be released for that area.

You area hereby authorized to release from the total amount of the reclamation bond, the amount as calculated below. Price River Coal Company shall then adjust the total bond amount and post a new bond with the Division within 30 days from the date of receipt of this letter.

Current Bond Escalation Schedule:

	TOTAL AMOUNT	ADJUSTMENTS
1983\$	\$2,532,847	Year Posted
1984\$	\$2,559,199	Escalated @ 1.04%
1985\$	\$2,582,743	Escalated @ 0.79%
1986\$	\$2,680,629	Escalated @ 3.79%
1987\$	\$2,782,225	Escalated @ 3.79%
1988\$	\$2,887,671	Escalated @ 3.79%
1989\$	\$2,997,114	Escalated @ 3.79%

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Calculation of Bond Release for Goose Island, Phase I:

$\frac{8.33 \text{ ac (Goose Island Area)}}{141 \text{ ac (Total Disturbed Area)}} \times .6 \times \$2,582,743 \text{ (Total Bond [1985\$])} =$
\$91,550 [1984\$] To Be Released for the Goose Island Site - PHASE I

Revised Bond Escalation Schedule:

1983\$	\$2,532,847	(Year Posted)
1984\$	\$2,559,199	Escalated @ 1.04%
1985\$	\$2,582,743	Escalated @ 0.79%
		(less \$91,550 adjustment)
1985\$	\$2,491,193	Adjusted Total Bond Amount
1986\$	\$2,585,609	Escalated @ 3.79%
1987\$	\$2,683,603	Escalated @ 3.79%
1988\$	\$2,785,312	Escalated @ 3.79%
1989\$	\$2,890,875	Escalated @ 3.79%

POSTING AMOUNTS

1. Price River Coal Company may choose to update annually by posting the amount required for the next year's dollars. If Price River Coal Company chooses this option, the amount required to be posted will be \$2,585,609 (1986\$); or,
2. Price River Coal Company may choose to post the 1989\$ amount now for the five-year permit term in the amount of \$2,890,875 (1989\$).

Price River Coal Company has done an excellent job on their reclamation work to date. Please find enclosed a copy of the inspection report for the Goose Island Reclamation Project for your reference.

Should you have any additional questions or concerns, please feel free to call me.

Sincerely,

L. P. Braxton

L. P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

JRH:jvb

Enclosure: Memo to Coal File

cc: P. Grubaugh-Littig

S. Linner

R. Harden

1001R-23



July 17, 1985

TO: Coal File

FROM: J. Randall Harden, Reclamation Engineer

RE: Division Inspection for Bond Release at Price River Coal Company "Goose Island" Reclamation Project, ACT 007/004, Folders 5 and 7, Carbon County, Utah

On July 9, 1985, Mr. Summers and Mr. Harden met with Mr. Hutchinson of Price River Coal Company to inspect the Goose Island Reclamation Project.

Request for partial release, (Phase I), of the bond is for the major earthwork and grading accomplished at the Site. The request for release is governed under UMC Section 807.12(b)(1) which states, "The maximum liability under performance bonds applicable to a permit which may be released at any time prior to the release of all acreage from the permit area shall be calculated by multiplying the ratio between the acreage on which a reclamation phase has been completed and the total acreage in the permit area, times the total liability under performance bonds applicable to a permit, times;

(1) 0.6 if reclamation phase I has been completed;"

Inspection of the site has shown that Phase I of the reclamation plan for the Goose Island Reclamation Project has been completed. Price River Coal Company has done an excellent job with the grading and earthwork on the Site. No evidence of differential settling or compaction was apparent. The area is free-draining, sediment control silt fences have been properly installed and the vegetation on the site appears to be doing well. Final contours blend exceptionally well with the surrounding topography.

Minor concern was expressed by Mr. Summers about the establishment of the drainage drainage course between the earthen and the riprapped section of the channel. Due to the flat transition and the low section of the channel at that point, the channel may have a tendency to side cut the

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riprap. This area should be monitored and observed by Division staff prior to release of bond for any remedial action required. Also, the cross-section of the riprap channel should be checked by the Division's staff on the next site visit to determine if the sections of the channel are according to design specifications.

It is recommended that the Division release the Phase I bond amount for the Goose Island Reclamation Project, reclaimed area of 8.33 acres.

cc: K. Hutchinson - Price River Coal Company
L. Braxton
P. Grubaugh-Littig
S. Linner
1001R-21