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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

May 12, 1995

TO: Daron Haddock, Permit Supervisor

FROM: Wayne H. Western, Reclamation Engineer WHW

RE: Elimination of Various Conflicts, AMAX Coal Company, Castle Gate Mine, ACT/007/004, Folder #2, Carbon County, Utah

Operator's Proposal:

The Operator calculated the reclamation cost for the Castle Gate unit train loadout facility. The reclamation cost was based on the demolition of steel buildings and concrete structures and revegetation costs.

The unit costs for steel building and concrete demolition were based on Means 1982 costs inflated to 1995. The inflated demolition for steel buildings is in line with Means current unit costs.

Analysis:

The Operator used the Means demolition cost for concrete buildings to estimate demolition costs for concrete removal. Since most of the concrete is solid the unit cost demolition is not relevant. The unit cost for concrete building demolition is $0.29 per cubic foot with is equal to $7.83 per cubic yard. The cost to demolish solid concrete items with reinforcement is $292 per cubic yard. The unit cost used in calculating the reclamation cost is incorrect and must be changed.

There is no mention of disposal cost for the building and concrete. Those costs must be included in the bond calculations, since the disposal cost for building usually exceeds that of building demolition.

The current bond amount is $4,400,000. The Operator's estimate for reclaiming the unit train loadout facility is $70,000. It is unlikely that the adjustment to the unit train reclamation costs would significantly influence the total bond amount (increase it by more than 5%). Once the correct reclamation cost has been determined the Division will determine if any adjustment to the total bond amount is needed.

Findings:

The Operator must use the correct unit cost for concrete demolition and include disposal cost for the buildings and concrete.

cc: Sharon Falvey
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