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

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Michael O. Leavitt
Governor
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Division Director

November 2, 1998

TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

THRU: Joe Helfrich, Permit Supervisor *JH*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Skyline Mine Waste Rock Expansion, Canyon Fuel Company, LLC, Skyline Mine, ACT/007/005-98F, File #2, Carbon County, Utah

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of bond amount.

In amendment AM98F, the Permittee proposes to expand the waste rock site at the Skyline Mine. The Permittee did not include any reclamation cost information with the amendment. Under R645-301-830.140 the Permittee must give the Division detailed reclamation cost information for all coal mining activities. The Division needs the information in order to adjust the bond (see R645-301-830.140).

The Permittee informally told the Division that no additional bond would be required, because of the contemporaneous reclamation being done at the waste rock site. The Permittee claims that for every acre he disturbs one acre is reclaimed.

The only way the Division can reduce the bond amount for work already done is through the bond release process. Since the Permittee has not applied for bond release at the waste rock site, the Division cannot reduce the bond amount.

Findings:

The information provided in the proposed amendment is not considered adequate to meet

Wast Rock Site Expansion
ACT/007/005-98F
November 2, 1998
Page 2

the requirements of this section. Prior to approval, the Permittee must provide the following in accordance with:

R645-301-830, the Permittee must provide the Division with detailed reclamation cost estimates for the expansion at the Skyline Mine waste rock site.

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