

0049



Canyon Fuel Company, LLC. Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

COPY

C/007/005 Incoming #3360

Gregg Galecki, Environ. Engineer HCR 35, Box 380 Helper, UT 84526 (435) 448-2636 - Office (435) 448-2632 - Fax

August 27, 2009

Mr. James D. Smith Division of Oil, Gas, and Mining 1594 West North Temple Salt Lake City, Utah 84114-5801

RE: Conditional Approval Response, Rail Loadout Asphalt – Construction approval, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Task ID #3360

Dear Jim:

Attached to this letter are eight (8) clean copies of the information related to the above-referenced amendment as requested for full approval.

Thank you for your prompt review of this is permit modification.

If you have any questions regarding this information, please give me a call at (435) 448-2636.

Sincerely:

Handwritten signature of Gregg A. Galecki

Gregg A. Galecki Canyon Fuel Company, LLC. Environmental Engineer – Skyline Mines

Enclosures

RECEIVED

AUG 31 2009

File in:

- Confidential Shelf Expandable

Refer to Record No 0049 Date 08272009

In C/007/005 2009 Incoming For additional information

DIV. OF OIL, GAS & MINING

**APPLICATION FOR COAL PERMIT PROCESSING**

**COPY**

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Skyline Mine

**Permit Number:** C/007/005

**Title:** Rail Loadout Asphalt

**Description,** Include reason for application and timing required to implement:

Changes made to Surface Facility Map and bond calculationsto accommodate asphalt installation.

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes  No 1. Change in the size of the Permit Area? Acres: \_\_\_\_\_ Disturbed Area: \_\_\_\_\_  increase  decrease.
- Yes  No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- Yes  No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes  No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes  No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes  No 6. Does the application require or include public notice publication?
- Yes  No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes  No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes  No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- Yes  No 10. Is the application submitted as a result of other laws or regulations or policies?  
*Explain:* \_\_\_\_\_
- Yes  No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes  No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes  No 13. Does the application require or include collection and reporting of any baseline information?
- Yes  No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes  No 15. Does the application require or include soil removal, storage or placement?
- Yes  No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes  No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes  No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes  No 19. Does the application require or include certified designs, maps or calculation?
- Yes  No 20. Does the application require or include subsidence control or monitoring?
- Yes  No 21. Have reclamation costs for bonding been provided?
- Yes  No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes  No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you.** (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Nesley K Sorensen  
Print Name

Nesley K Sorensen  
Sign Name, Position, Date

Subscribed and sworn to before me this 27 day of August, 2009

General Manager 8/27/09

Kathleen Atwood  
Notary Public



My commission Expires: 11-12, 2011  
Attest: State of Utah ) ss:  
County of Carbon

For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
		<b>RECEIVED</b> <b>AUG 31 2009</b> DIV. OF OIL, GAS & MINING



Skyline Mine  
Added Asphalt@Tipple  
Task ID #3360 /PHH

Reclamation Cost Estimate  
Required Bond Amount

Revised August 2009

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,939,843
Subtotal Backfilling and Grading	\$941,073
Subtotal Revegetation	\$876,537
Direct Costs	\$3,757,453

Indirect Costs

Mob/Demob	\$375,745	10.0%
Contingency	\$187,873	5.0%
Engineering Redesign	\$93,936	2.5%
Main Office Expense	\$255,507	6.8%
Project Management Fee	\$93,936	2.5%
Subtotal Indirect Costs	\$1,006,997	26.8%

Total Cost 2006	\$4,764,450
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Escalation factor		3
Number of years		0.013
Escalation	\$188,195	

Reclamation Cost Escalated	\$4,952,645
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Bond Amount (rounded to nearest \$1,000) 2009 Dollars	\$4,953,000
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Posted Bond September 19, 2006	\$5,137,000
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Difference Between Cost Estimate and Bond	\$184,000
Percent Difference	3.71%



Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Pavement Rail Loadout 34																				
	Structure's Demolition Cost																				
	Structure's Vol. Demolished																				
	Rubble's Weight (exclude steel)																				
	Trucks Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Steels Weight																				
	Trucks Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	<b>Subtotal</b>																				
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	<b>Subtotal</b>																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	<b>Subtotal</b>																				
	Pavement Removal 3"																				
	Concrete demolition																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	<b>Subtotal</b>																				
	On site disposal																				
	12 CY (16 Ton) Dump Truck 1/2 mi. rnd. trip																				
	02220 240 5550																				
	<b>Subtotal</b>																				
	Asphalt Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Disposal Costs																				
	<b>Subtotal</b>																				
	Disposal at approved facility																				
	Front end loader 3 CY																				
	02315 424 1300																				
	<b>Subtotal</b>																				
	Disposal Costs																				
	<b>Subtotal</b>																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	<b>Subtotal</b>																				
	<b>Total</b>																				