

C/007/005 Incoming



Canyon Fuel Company, LLC. Skyline Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

COPY

Gregg Galecki, Environ. Engineer
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Helper, UT 84526
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#3545

OK

May 17, 2010

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

RE: Rail Loadout Asphalt and Concrete – Construction approval, Canyon Fuel Company, LLC, Skyline Mine, C/007/005,

Dear Jim:

Attached to this letter is pertinent information requesting approval to initiate additional asphalt and concrete surfacing of the road aprons to SR 96 in the Lower Rail Loadout (RLO) area. The asphalt surfacing would include the south entrance of the RLO rail entrance off SR 96, and a small road-shoulder area on the west side of SR96 located due east of the sedimentation pond. Concrete surfacing would be done at the exit or north rail entrance off SR96. The asphalt and concrete surfacing work is being conducted to minimized dust control in high truck traffic areas. A total of approximately 2,800 sq-ft of asphalt and 2,600 sq-ft of concrete will be installed. The permit modification consists of: 1) Minor text modification to the MRP concerning ASCAs (pages 3-69, 3-70), 2) Plate 3.2.1-3 Loadout Facilities Drainage and Permit Boundary Map illustrating the locations of the asphalt and concrete surface areas, and 3) the appropriate adjustments to the Reclamation bond to accommodate demolition and disposal of both the asphalt and concrete.

Attached to this cover letter are completed C1 and C2 forms, five (5) copies of both redline/strikeout and clean text of the bond information, five (5) clean copies of Plate 3.2.1-3, and one (1) Compact Disc (CD) containing the complete submittal package. One copy of the submittal was delivered directly to the Price Field Office.

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

Sincerely:

Gregg A. Galecki

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

Enclosures

File in:

Confidential

Shelf

Expandable

Date Folder 05/18/2010 C/007/0005

See Incoming For additional information

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MAY 18 2010
DIV. OF OIL, GAS & MINING

seeded and mulched, and, where needed, additional straw bales and/or silt fences, erosion mats installed to treat any runoff. Part of the area also has a collection ditch below the straw bales. Where needed, this ditch has a series of straw bales across the drainage at 15-20 feet intervals. Much of the ditch has become well grassed-in and is almost indistinguishable from the adjacent undisturbed areas and does not need any additional silt control devices as the runoff has already been treated with strawbales and/or silt fences.

Area 16. This area is south of the truck dump and is shown on Map No. 3.2.1-3. This area contains .61 acres and is the fill slope of the access road. The slope has been reseeded and basically has a well established cover of vegetation. The disturbance around the overland conveyor towers have been seeded and mulched, and have additional straw bales and/or silt fences, erosion mats, where needed, to treat any surface runoff. (See Area 10a)

Area 17. This area is south of the RLO sediment pond and is shown on Map No. 3.2.1-3. This area contains .35 acres and has been classified as an "Alternative Sediment Control Area." Much of the area has been paved. There are straw bales and/or silt fences and three small straw dikes to treat any runoff water. One of these straw dikes is on the UDOT rights-of-way of SR-96. This treatment location has been approved by UDOT (refer to UDOT letter dated 7/18/89 from L. Archie Hamilton, District Four Pre/construction Engineer, Page 3-70).

Area 17a. This area is adjacent to RRLO sediment ponds and is shown on Map 3.2.1-3. This area contains .15 acres and has been classified as an "Exempt Area" since it is the outslope of the sediment pond embankment.

Areas 18. This area is adjacent to the Railroad Loadout structure and is shown on Map No. 3.2.1-3. This area contains .1 acres and has been classified as an exempt area as the entire area is paved.

Area 19. This area is adjacent to the Railroad loadout structure and is shown on Map No. 3.2.1-3. This area contains .1 acres and has been classified as an **Small Area Exemption (SAE)** as the entire area is paved "Alternate Sediment Control Area". ~~This area has been covered with approximately 4 inches of clean 2-inch rock material. The runoff is also treated with strawbales and/or silt fence.~~

Areas 20, 21, and 22, and 22a. These areas are the highway approaches from SR-96 to the Railroad Loadout area itself (two approaches), and the area south of the loadout structure, and a small road-shoulder area west of the Railroad Loadout exit. These areas are shown on Map 3.2.1-3. These areas contain .1 acre and have been classified as "Special Exempt Areas." These road approaches are paved. Area 20 also contains a small straw dike to treat water from the area that is not paved and additional treatment for water leaving the paved area. All of these areas are part of the permitted area and will be reclaimed during final reclamation; however, these areas fall within the rights-of-way of SR-96 (refer to UDOT letter dated 7-18-89 from L. Archie Hamilton, District Four Pre/Construction Engineer, found in this section). The Permittee has no control over the activities of UDOT or the public who utilize these approaches; therefore, the Permittee is not responsible for the activities (other than his own) which occur on these approaches.

Area 23. This area is the South Fork Breakout Area and is shown on Map No. 3.2.11-1. This area contains .96 acres (see Areas 32 and 33 which are classified as exempt areas). The South Fork Breakout Area was reclaimed in 2003 and the access trail was completely reclaimed in 2005 and is considered a Small Area Exemption. All existing silt fencing was removed, with the exception of temporary silt fencing that was used during reclamation construction. Extreme surface roughening or 'deep gouging' was used as the form of sediment control until vegetation is established. Figure 3.2.11-1 will be modified to reflect these changes once the area is flown to establish the reclamation topography.

Area 24. The access road to the Scofield Waste Rock Disposal Site is shown on Map No. 3.2.8-1. It contains 3.45 acres and is classified as a "Primary Access Road".

Area 24a. A small area of .1 acre was disturbed adjacent to the Scofield Waste Rock access road. This area has been reseeded and is becoming well re-vegetated. Any runoff water leaving this area enters the roadside drainage. A Sed-Cad model program has been done for this area which demonstrated that alternate sedimented control measurers are not needed. This area is therefore classified as an exempt area. (See Vol. 5 Sec. 21 and 21 (a))

Area 25. This area goes from overland conveyor bent 155 to bent 154a, shown on Map 3.2.3-3a. This area is permitted but has no disturbance within it. The overland conveyor does span across this area.

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Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,944,118	
Subtotal Backfilling and Grading	\$941,073	
Subtotal Revegetation	\$876,537	
Direct Costs	\$3,761,728	

Indirect Costs

Mob/Demob	\$376,173	10.0%
Contingency	\$188,086	5.0%
Engineering Redesign	\$94,043	2.5%
Main Office Expense	\$255,798	6.8%
Project Management Fee	\$94,043	2.5%
Subtotal Indirect Costs	\$1,008,143	26.8%

Total Cost 2006	\$4,769,871	
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Escalation factor		3
Number of years		0.013
Escalation	\$188,195	

Reclamation Cost Escalated	\$4,958,066	
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Bond Amount (rounded to nearest \$1,000) 2009 Dollars	\$4,958,000	
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Posted Bond September 19, 2006	\$5,137,000	
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Difference Between Cost Estimate and Bond	\$179,000	
Percent Difference	3.61%	

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 2009 Dollars \$4,958,000

Posted Bond September 19, 2006 \$5,137,000

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 Percent Difference 3.61%

Ref	Description	Materials	Meas Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Shop Warehouse 01																			387595
	Administration Bld 02																			25308
	Mine No 1 Transfer Tower 03																			35053
	BC 2 Drive House 04																			8893
	BC 3 Drive House 05																			38369
	Crusher Raw Coal 06																			18741
	Truck Loadout 07																			2592
	Railcar Loadout 08																			21764
	Conveyors 8 total 09																			87798
	Water Tanks Two 10																			6094
	Pump House 11																			1233
	Well House Three 12																			4428
	Water Treatment Bld 13																			16600
	Misc Storage Bld 14																			3809
	Overland Conveyor 15																			88532
	Guard Rail 16																			18300
	Rock Dust Bld 17																			5835
	Overland Dust Collector 18																			1248
	Substation 19																			1989
	Power Line 20																			4609
	Cap Magazine 21																			33
	Fuel Storage 22																			2954
	Propane Tanks 23																			527
	Stacking Tube 24																			5578
	Reclaim Tunnel 25																			45632
	Slope Protection Apron 26																			17532
	Concrete Lined Ditch 27																			485
	Raw Coal Silo 28																			15831
	Parking Area Middle 29																			2451
	Truck Loadout Foundation 30																			233
	Road Pad Lower 31																			3796
	Silo Rail Loadout 32																			140333
	Loadout Foundation RR 33																			5769
	Pavement Rail Loadout 34																			6816
	Steel 35																			6975
	James Canyon 36																			142752
	Culvert Backfilling 37																			6132
	Channel Construction 38																			524279
	Equipment 39																			245525
	Portal Face Door 40																			5823
	Concrete Building 41																			2158
	Total																			1944119

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 Layout 34																				
	Structure's Demolition Cost																				
	Structure's Vol. Demolished																				
	Rubble's Weight (exclude steel)																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Steel's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost	Pavement Removal 3"	ConcreteDemol	9.62 /CY																	
	Concrete's Vol. Demolished	Concrete demolition																			
	Loading Cost	Front end loader track 3 CY	31 23 19 42 1300	1.01 /CY																	
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. rtd. trng	31 23 23 19 0320	2.92 /CY																	
	Disposal Costs	Disposal on site	02 41 16 17 4200	9.00 /CY																	
	Subtotal																				
	Asphalt Demolition																				
	Demolition Cost	Pavement Removal 3"																			
	Asphalt's Vol. Demolished	Disposal at approved facility																			
	Loading Cost	Front end loader 3 CY	02-41-15-17-5010	4.81 /CY																	
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Total																				8819

Demolition Costs

Skyline Mine_Added Concrete/Asphalt_PHH

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)																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Street's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				
	Equipment's Disposal Cost																				
	Demarling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Total																				6818

