

April 22, 2015

Mr. Daron R. Haddock
Coal Program Manager
Division of Oil, Gas, and Mining
1594 West North Temple
Salt Lake City, Utah 84114-5801

RE: Additional Storage Sheds, Canyon Fuel Company, LLC, Skyline Mine, C/007/005

Dear Daron:

Attached to this letter are completed C1 and C2 forms that outline modifications to the Skyline Mine M&RP to accommodate placing two (2) additional storage sheds on the main Skyline Mine site. The two sheds will be constructed immediately adjacent to a large existing shed labeled the 'Wood Shed' located on the upper level of the mine site.

Information being submitted electronically include Plate 3.2.1-1_rev12 illustrating the location of the new sheds, and updates to Section 4.3 Cost Estimate for Performance Bond that includes three (3) pages (Total Bond Amount, Demolition Cost Summary, Demolition – Misc. Storage Building, respectively).

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

Sincerely:



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

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Canyon Fuel Company, LLC

Mine: Skyline Mine

Permit Number: C/007/005

Title: Added Storage Sheds

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

Changes made to Surface Facility Map to identify additional Storage Sheds

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.

CARL W. WINTERS
Print Name

Carl Winters 4/22/15
Sign Name, Position, Date
Gen. Manager

Subscribed and sworn to before me this 22nd day of April, 20 15

Kathleen Atwood
Notary Public

My commission Expires: 12-02, 20 15
Attest: State of Utah } ss:
County of Carbon



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining

Skyline Mine TC/007/005
 Added Storage sheds
 Task #

Total Required Bond Amount
 2014 Dollars

Revised April 22, 2015

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$2,144,256
Subtotal Backfilling and Grading	\$1,597,728
Subtotal Revegetation	\$425,908
Direct Costs Subtotal	\$4,167,891.75

Indirect Costs

Mob/Demob	\$416,789	10.0%
Contingency	\$208,395	5.0%
Engineering Redesign	\$104,197	2.5%
Main Office Expense	\$283,417	6.8%
Project Management Fee	\$104,197	2.5%
Subtotal Indirect Costs	\$1,116,995	26.8%

Total Cost 2014	\$5,284,887
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Escalation factor		5
Number of years		0.019
Escalation	\$521,509	
Reclamation Cost Escalated	\$5,806,395	

Reclamation Bond Amount (rounded to nearest \$1,000) 2019 Dollars	\$5,806,000
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Posted Bond March 18, 2015	\$5,799,000
Difference Between Cost Estimate and Bond	-\$7,000
Percent Difference	0%

Ref	Description	Materials	Mxms Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Shovel Factor	Quantity	Unit	Cost	
	Misc Storage Bld 14																				
	Deduct 50% no interior walls																				
	Structure's Demolition Cost	Mixed Materials Bld. Large	02 41 18 13 0100	0.3 /CF														6265	CF	940	
	Structure's Demolition Cost	Steel Bld. Large	02 41 18 13 0020	0.27 /CF		40	20	20										16000	CF	2160	
	Structure's Vol. Demolished																	0.3	70	CY	
	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	City Services	City Service Price	4.33 /CY																	303
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				3403
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost	Slab on grade 4"thick with reinforced	02 41 16 17 0240	3.43 /SF																	114
	Concrete's Vol. Demolished																				148
	Loading Cost	Front end Loader 3 CY	31 23 16 42 1300	1.67 /CY																	148
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. md. trl	31 23 23 20 1014	2.95 /CY																	148
	Disposal Costs	On site disposal	02 41 16 17 4200	8.65 /CY																	148
	Subtotal																				2355
	Concrete Demolition																				
	Demolition Cost	Slab on grade 4"thick with reinforced	02 41 16 17 0240	3.43 /SF						600											800
	Concrete's Vol. Demolished																				29.6
	Loading Cost	Front end Loader 3 CY	31 23 16 42 1300	1.67 /CY																	29.6
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. md. trl	31 23 23 20 1014	2.95 /CY																	29.6
	Disposal Costs	On site disposal	02 41 16 17 4200	8.65 /CY																	29.6
	Subtotal																				3137
	Total																				8895