



Technical Analysis and Findings
Utah Coal Regulatory Program

August 31, 2016

PID: C0070005
TaskID: 5254
Mine Name: SKYLINE MINE
Title: ADD CONCRETE SLAB

Operation Plan

Mining Operations and Facilities

Analysis:

The amendment meets all the State of Utah R645 requirements for Mining Operations and Facilities.
The Permittee updated the relevant Plate 3.2.1-1 and provided a detail of the pad installation within the demolition cost estimate in Chapter 4 Section 4.3.

cparker

Reclamation Plan

Bonding Determination of Amount

Analysis:

Bonding Conditional approval is given if Permittee submits clean updated bonding sheets with the following corrections along with the correction requested for task 5252 (Bond Update to Revegetation).

See Cheryl's comments for earthwork error.

We received the Nielson Construction concrete demo bid. It has been added to the Demo sheet. It was noticed that the Unit Cost for fencing included the O and P. The Permittee should use the total bare cost not including the O & P. Please update these costs to represent the bare unit costs. There were also errors found in the subtotals and totals on sheets PavementRailLoadOut34 and PortalFaceDoor40.

The three categories re-calculated in this new estimate, and their sub-totals are as follows:

- Facility Demolition and Removal.....\$ 2,091,568
Disturbance Backfilling and Grading.....\$ 1,343,339
Re-vegetation of Disturbed Areas.....\$ 525,649

Indirect Costs have been calculated to Total.....\$ 1,061,430
Total Reclamation Cost in 2014 dollars\$ 5,021,987
Total minimum Bond Required in 2019 dollars\$ 5,502,000

Total Posted Bond on March 18, 2015 was \$5,799,000

bwiser

Bonding Determination of Amount

Analysis:

The amendment meets the State of Utah R645 requirements for Determination of Bond Amount upon the Permittee provided clean copies with the small errors corrected in the Demolition, Earthwork, and Revegetation cost estimate sheets.

The amendment meets the requirements of R645-301-830.140 as the Permittee submitted detailed bond information in regards to the amendment. The Division created an error in the previous submission with the Earthwork sheets on tab 06 Southwest Fork by failing to insert two new columns. The end result reduces the earthwork incorrectly by approximately \$50,000. The Earthwork sheet must be correct to show the correct Earthwork subtotal of \$1,343,339. Several cells within the NOG shaft sheet were not calculating correctly. With the cell calculations corrected the new Demolition sheet subtotal is \$2,091,168.

The total minimum required reclamation amount to be posted to bond is \$5,502,000 in 2019 dollars. The Permittee is currently over bonded by approximately 5%. Task 5252 and 5254 are recommended for conditional approval pending all the minor errors presented within this Technical Analysis report are correct within the clean copies.

cparker