



**Canyon Fuel  
Company, LLC**

A Subsidiary of Bowle Resource Holdings, LLC

**Skyline Mine**

Gregg A. Galecki, Environmental Engineer  
HC35, Box 380  
Helper, Utah 84526  
(435) 448-2636  
Fax (435) 448-2632

May 17, 2017

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

C/007/0005  
Received 5/23/17  
Task #5456

RE: Minor Mine site modification – Generator Building, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005,

Dear Daron:

Attached to this letter is information necessary to add an enclosed steel building to hold two (2) portable emergency generators. The building would be a basic 40 x 60 x 16 foot steel enclosure including a cement floor with 2-foot high foundation walls. The building will be located immediately east of the existing substation within the existing disturbed area. Included in the application are an updated Surface Facilities map (Plate 3.2.1-1\_Rev16\_5-17-17) showing the location of the new structure, and modified bond sheets to accommodate demolition/removal of the building. The direct costs of demolition of the building are calculated to total \$14,226, with indirect costs calculated at \$3814. The reclamation costs to demolish and remove the building are calculated to increase the demolition costs by a total of \$18, 040. There is adequate funding in the current bond to cover this modification.

Attached to this cover letter are completed C1 and C2 forms. In addition, a total of two (2) files have been uploaded to the Division Google Drive (generator20170517) containing both redline/strikeout versions of the M&RP modified information, and Plate 3.2.1-1.

If you have any questions regarding this information, please call me 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:** Bond modification, Generator Building

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

Addition of a Generator Building

**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?

**Information submitted electronically in Adobe Acrobat .pdf format.** (This number includes 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.

Corey Heaps  
Print Name

Corey Heaps GM, 5-22-17  
Sign Name, Position, Date

Subscribed and sworn to before me this 22 day of May, 2017

Melissa Willden  
Notary Public

My commission Expires: 3-19, 2019  
Attest: State of Utah } ss:  
County of Carbon



<b>For Office Use Only:</b>	<b>Assigned Tracking Number:</b>	<b>Received by Oil, Gas &amp; Mining</b>
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## Bonding Calculations

### Direct Costs

Subtotal Demolition and Removal	<b>\$2,113,956</b>
Subtotal Backfilling and Grading	\$1,343,339
Subtotal Revegetation	\$313,143
<b>Direct Costs Subtotal</b>	<b>\$3,770,438</b>

### Indirect Costs

Mob/Demob	\$377,044	10.0%
Contingency	\$188,522	5.0%
Engineering Redesign	\$94,261	2.5%
Main Office Expense	\$256,390	6.8%
Project Management Fee	\$94,261	2.5%
<b>Subtotal Indirect Costs</b>	<b>\$1,010,478</b>	<b>26.8%</b>

<b>Total Cost 2014</b>	<b>\$4,780,916</b>
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<i>Escalation factor</i>	5
<i>Number of years</i>	0.019
<i>Escalation</i>	\$479,715

Reclamation Cost Escalated	<b>\$5,260,631</b>
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<b>Reclamation Bond Amount (rounded to nearest \$1,000) 2019 Dollars</b>	<b>\$5,261,000</b>
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Posted Bond March 18, 2015	\$5,799,000
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Difference Between Cost Estimate and Bond	<b>\$538,000</b>
Percent Difference	<b>9.28%</b>

Errors in permittee's total sheet: indirect should be updated, escalation should be held constant at \$479,715, TOTAL rec bond amount in 2019 \$5,455,000

Ref.	Description	Materials Reference Number	Unit	Unit Cost	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Shop Warehouse 01																		299852	
	Administration Bld 02																		27154	
	Mine No 1 Transfer Tower 03																		44106	
	BC 2 Drive House 04																		9422	
	BC 3 Drive House 05																		42220	
	Crusher Raw Coal 06																		20178	
	Truck Loadout 07																		4807	
	Railcar Loadout 08																		23377	
	Conveyors 8 total 09																		114289	
	Water Tanks Two 10																		2252	
	Pump House 11																		1601	
	Well House Three 12																		4756	
	Water Treatment Bld 13																		17830	
	Misc Storage Bld 14																		8386	
	Overland Conveyor 15																		95092	
	Guard Rail 16																		18269	
	Rock Dust Bld 17																		7075	
	Overland Dust Collector 18																		1525	
	Substation 19																		2609	
	Power Line 20																		528	
	Cap Magazine 21																		38	
	Fuel Storage 22																		1347	
	Propane Tanks 23																		1820	
	Stacking Tube 24																		7346	
	Reclaim Tunnel 25																		60762	
	Slope Protection Apron 26																		23345	
	Concrete Lined Ditch 27																		1175	
	Raw Coal Silo 28																		21081	
	Parking Area Middle 29																		3262	
	Truck Loadout Foundation 30																		310	
	Road Pad Lower 31																		5054	
	Silo Rail Loadout 32																		186868	
	Loadout Foundation RR 33																		7683	
	Pavement Rail Loadout 34																		48718	
	Steel 35																		11075	
	Jamies Canyon 36																		126205	
	Culvert Backfilling 37																		9041	
	Channel Construction 38																		520548	
	Equipment 39																		237900	
	Portal Face Door 40																		6295	
	Concrete Building 41																		2274	
	Winter's Quarters Ventilation 42																		54782	
	North of Graben Bleeder Shaft 43																		17181	
	Sweena Canyon Ventilation Facility 44																		13917	
	Total																		2,113,956	

Ref.	Description	Materials Reference Number	Unit	Unit Cost	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit Cost
	Shop Warehouse 01																	285626
	Administration Bld 02																	27154
	Mine No 1 Transfer Tower 03																	44106
	BC 2 Drive House 04																	9422
	BC 3 Drive House 05																	42220
	Crusher Raw Coal 06																	20778
	Truck Loadout 07																	4807
	Radical Loadout 08																	23377
	Conveyors 8 total 09																	114289
	Water Tanks Two 10																	2252
	Pump House 11																	1601
	Well House Three 12																	4756
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	Concrete Building 41																	2274
	Winter's Quarters Ventilation 42																	54782
	North of Graben Bleeder Shaft 43																	17181
	Svenns Canyon Ventilation Facility 44																	13917
	<b>Total</b>																	<b>2,099,730</b>



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	
	<b>Shop Warehouse 01</b>																				
	Deduct 50% no interior walls																				
	Structure's Demolition Cost	Mixed Materials Bld. Large	02 41 16 13 0100	0.3 /CF														1069000	CF	177210	
	Structure's Vol. Demolished																0.3	21878	CY		
	Structure's Demolition Cost																				
	Truck's Capacity																				
	Structure's Demolition Cost	Steel Bld. Large - Covered Yard Storage	02 41 16 13 0020	0.27 /CF		50	23	15										17250	CF	6055	
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel	City Services	City Service Price	4.33 /CY															21878	CY	94732
	Steel's Weight																				
	Structure's Demolition Cost	Steel Bld. Large - Generator Building	02 41 16 13 0020	0.27 /CF		60	40	16										38400	CF	10368	
	Disposal Cost Steel	City Services	City Service Price	4.33 /CY														0.3	427	CY	1849
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	<b>Subtotal</b>																				290214
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	<b>Subtotal</b>																				
	Concrete Demolition																				
	Demolition Cost	Nelson Concrete <15"	Nelson Quote	13.75 /CY														311	CY	4276	
	Concrete's Vol. Demolished																1.3	404	CY		
	Loading Cost	Front and Loader 3 CY	31 23 16 42 1300	1.67 /CY														404	CY	675	
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mil. md. h	31 23 20 1014	2.85 /CY														404	CY	1192	
	Disposal Costs	On site disposal	02 41 16 17 4200	8.65 /CY														404	CY	3495	
	<b>Subtotal</b>																				9638
	<b>Total</b>																				299852

Note: Volume is in CY  
 10-18-2016: Added 56 cu-yd concrete and All-Steel demolition for Covered Warehouse storage  
 5-17-17: Added 65 cu-yd concrete and All-Steel demolition for Generator Building