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DEPARTMENT OF NATURAL RESOURCES
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June 16, 1989

TO: Richard V. Smith, Permit Supervisor

FROM: Pamela Grubaugh-Littig, Reclamation Engineer *pgf*

RE: Reclamation Cost Estimate, Sunnyside Reclamation and Salvage, Inc., Sunnyside Mines, ACT/007/007-89G, Folder #2, Carbon County, Utah

Synopsis

Sunnyside Reclamation and Salvage, Inc. (SRS) submitted a revised reclamation cost estimate on March 3, 1989. On April 7, 1989, more information was sent to the Division in the form of text changes to Chapter III of the approved plan. A bond review letter was sent to SRS on May 19, 1989. The permit was transferred from Kaiser Coal Corporation to Sunnyside Reclamation and Salvage, Inc., on May 26, 1989.

A meeting with Bill Balaz, SRS's General Mine Manager, was held at the Division office on June 1, 1989 to discuss the proposed changes in the text and the reclamation cost estimate. A revised reclamation cost estimate was submitted to the Division on June 7, 1989.

Analysis

Revised reclamation costs as of June 7, 1989 were reviewed. The Sunnyside Fuel Corporation coarse refuse area was updated with revised equipment costs (but the same yardages). A contingency factor of 15 percent (including construction management) was added to the reclamation costs. One area of discrepancy was demolition and removal of buildings that were included in the Kaiser cost estimate but are proposed to be permanent in the SRS estimate (outstanding amendment #ACT/007/007-89F). This amount must be included in the costs at this time.

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Memo to R. V. Smith
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June 12, 1989

Recommendation

The methodology that has been proposed by SRS is acceptable. The SRS reclamation cost estimate of \$1,301,574 must add \$137,264 (buildings) as well as \$842,947 (SFC coarse refuse area).

\$ 1,301,574	(SRS)
<u>137,264</u>	(buildings)
\$ 1,438,038	(Sub-total)
<u>842,947</u>	(SFC)
\$ 2,281,785	(Sub-total)
<u>342,267</u>	(15% Contingency)
\$ 2,624,053	(1989 Dollars)
\$ 2,624,053	(1989 Dollars)
2,674,697	1.93% escalation - 1990 Dollars
\$ 2,726,319	1.93% escalation - 1991 Dollars

Therefore, \$2,726,319 in 1991 dollars must be posted by SRS.

djh
AT4/58-59