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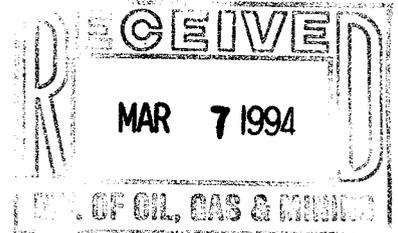
## United States Department of the Interior

OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
Suite 1200  
505 Marquette Avenue N.W.  
Albuquerque, New Mexico 87102

March 4, 1994

TAKE  
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AMERICA

IN REPLY REFER TO:



To: Karen Jass, Mining Engineer  
Physical Sciences Branch  
Western Support Center

From: Donna Griffin, Natural Resource Specialist  
Albuquerque Field Office *DJG*

Subject: Sunnyside Bond Liability

As we discussed, I have scheduled your analysis of the bond liability for the week of March 28, 1994. You will be working with Jesse Kelly, engineer for the Division of Oil, Gas and Mining (DOG M), who is currently recalculating the reclamation workload for DOGM. Jesse will be going to the field with you to review site conditions. The Albuquerque Field Office (AFO) will also be sending an inspector from this office, but that inspector has yet to be named. I will assist in the coordination of the site visit if needed.

As I indicated in our discussion, there are several reclamation-related issues that DOGM and the Office of Surface Mining Reclamation and Enforcement (OSM) disagree on that would impact the cost of reclamation. The first is the reclamation of the Water Canyon area. DOGM believes, at this time, that there is a storage area that should be in the post-law reclamation area, whereas, OSM believes that the old portal and refuse area should also be included. The OSM inspector will have the "May 3rd" maps during the inspection so that he, you, and Jesse can come to an agreement about the post-law disturbance that needs to be part of the bond liability.

The second concern is the amount of cover slated for the facility area. OSM believes it should be 4 feet of cover, whereas, the current bond calculation is based on 1 foot of cover. Jesse is reviewing that situation at this time. Hopefully, the difference can be resolved during your coordinated site and bond review. If not, you will have to figure the bond on the OSM basis and he will retain the DOGM basis and the figures will differ.

The third area is the reclamation of the refuse area. As we discussed, the responsibility of this area has been transferred to Sunnyside Cogeneration Associates through an operating agreement. However, OSM has not signed off on

the release of liability on this Federal lands mine. DOGM has always calculated the facilities reclamation liability separate from the refuse reclamation liability. This is the approach AFO would like you to take. Ir regardless of where the responsibility lies, OSM needs dependable data on the reclamation cost of the refuse area, calculated for the worst case scenario. Worst case, in this instance, is that Sunnyside Mine continues to dump refuse but Sunnyside Cogeneration fails to remove further refuse, thus maximizing the area to be reclaimed.

If you have any questions regarding this information, please call me. When an inspector has been assigned, I will contact you.