

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

March 7, 2008

TO: Internal File

THRU: Daron R. Haddock, Permit Supervisor *DRH*

FROM: Wayne H. Western, Team Lead *WHW*

RE: Phase I Bond Release, Hiawatha Coal Company, Hiawatha Mine, C/007/0011, Task ID #2895

SUMMARY:

In a letter dated January 10, 2008, the Permittee requested Phase I bond release on portions of the Hiawatha Mine. The Permittee did most of the reclamation work in or around the Slurry Pond 4, Refuse Pile 2, the Preparation Plant, Borrow Area F, Slurry Pond 5 and Borrow Area A. The Permittee requested a release of \$1,220,000.

This memo covers engineering and bonding requirements.

R645-301-121.200, The Permittee must state in the bond release application which if any roads were reclaimed

R645-301-880.120 The Permittee must include proof of publication for the newspaper advertisement.

R645-301-880.210, The Permittee must provide the Division with as-built drawing of the reclaimed areas. In addition to the final surface configuration, the Permittee must also show if present reclamation facilities, surface and subsurface manmade features. The Permittee must certify the maps and cross sections according to the requirements of R645-301-512. The Division needs that information to evaluate the reclamation work that the Permittee completed and the remaining work for Phase II and Phase III bond release.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

REPORTING OF TECHNICAL DATA

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

The Permittee met the general requirements for reclamation for the areas for which they request Phase I bond release.

Findings:

The information provided in the bond release application is considered adequate to meet the requirements of this section

APPROXIMATE ORIGINAL CONTOUR RESTORATION

Regulatory Reference: 30 CFR Sec. 784.15, 785.16, 817.102, 817.107, 817.133; R645-301-234, -301-412, -301-413, -301-512, -301-531, -301-533, -301-553, -301-536, -301-542, -301-731, -301-732, -301-733, -301-764.

Analysis:

The information provided in the bond release application is not considered adequate to meet the requirements of this section. The Division needs to examine the as-built maps and cross sections to determine if the Permittee met the AOC requirements.

The reclamation plans were based on the Permittee being able to meet the AOC requirements. If the Permittee followed the approved plans then they should meet the AOC requirements.

TECHNICAL MEMO

Findings:

The information provided in the bond release application is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-880.210, The Permittee must provide the Division with as-built drawing of the reclaimed areas. The Division needs that information to evaluate the reclamation work that the Permittee completed and the remaining work.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The information provided in the bond release application is not considered adequate to meet the requirements of this section. The Division needs to examine the as-built maps and cross sections to determine if the Permittee met the backfilling and grading requirements.

The reclamation plans were based on the Permittee being able to meet the backfilling and grading requirements. If the Permittee followed the approved plans then they should meet the backfilling and grading requirements.

Findings:

The information provided in the bond release application is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-880.210, The Permittee must provide the Division with as-built drawing of the reclaimed areas. The Division needs that information to evaluate the reclamation work that the Permittee completed and the remaining work.

TECHNICAL MEMO

MINE OPENINGS

Regulatory Reference: 30 CFR Sec. 817.13, 817.14, 817.15; R645-301-513, -301-529, -301-551, -301-631, -301-748, -301-765, -301-748.

Analysis:

There are no underground openings associated with the bond release.

Findings:

The information provided in the bond release application is considered adequate to meet the requirements of this section

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 701.5, 784.24, 817.150, 817.151; R645-100-200, -301-513, -301-521, -301-527, -301-534, -301-537, -301-732.

Analysis:

Reclamation

The Permittee did not meet the requirements of this section. The Permittee needs to address in the bond release application if any roads will be reclaimed or retained.

Retention

The Permittee did not meet the requirements of this section. The Permittee needs to address in the bond release application if any roads will be reclaimed or retained.

Findings:

The information provided in the bond release application is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-121.200, The Permittee must state in the bond release application which if any roads were reclaimed

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

Analysis:

Bonded Area Map

The Permittee did not meet the requirements of this section. The Permittee must include a map that shows what areas were granted phase bond release and when. This information is important so that everyone has a record of bond release.

Reclamation Backfilling And Grading Maps

The Permittee did not meet the requirements of this section. The Permittee must include in the bond release package copies of maps and cross sections that show the reclaimed site. The Division needs this information in order to make a finding that the work was done according to specifications.

Findings:

The information provided in the proposed amendment is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-880.210, The Permittee must provide the Division with as-built drawing of the reclaimed areas. In addition to the final surface configuration, the Permittee must also show if present reclamation facilities, surface and subsurface manmade features. The Permittee must certify the maps and cross sections according to the requirements of R645-301-512. The Division needs that information to evaluate the reclamation work that the Permittee completed and the remaining work for Phase II and Phase III bond release.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

TECHNICAL MEMO

Analysis:

General

The Permittee did not meet all of the requirements of the bond release requirements. The table on page 2-37 has some columns where the numbers do not add up. For example, the numbers in the total acres column do not add up. In addition, the numbers in the preparation plant row do not add up.

The Permittee included a copy of the public notice that they will place in the Sun Advocate. The advertisement contained:

- The Permittee's name.
- Permit number.
- Approval date.
- Notification of the precise location of the land affected.
- The number of acres.
- The type and amount of the bond filed and the portion sought to be released.
- The type and appropriate dates of reclamation work performed.
- A description of the results achieved as they relate to the operator's approved reclamation plan.
- The name and address of the Division to which written comments, objections, or requests for public hearings and informal conferences on the specific bond release may be submitted pursuant to R645-301-880.600 and R645-301-880.800.

The Permittee needs to include an affidavit from the newspaper confirming that the notice was published.

The Permittee included copies of letters that they mailed to:

- Adjoining property owners.
- Local governmental bodies.
- Planning agencies, sewage and water treatment authorities, and water companies.

Determination of Bond Amount

The Division cannot give the Permittee 100% bond release for demolition work and 60% of the earthwork costs and vegetation costs. R645-301-880.310 states that the Division can release a maximum of 60% of the bond at Phase I bond release. The Permittee may be able to apply directly for Phase II bond release if they want more than 60% of the bond released.

TECHNICAL MEMO

Findings:

The information provided in the proposed amendment is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-880.120 The Permittee must include proof of publication for the newspaper advertisement.

RECOMMENDATIONS:

The Division should deny the bond release until all of the above deficiencies have been adequately addressed.