



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 6, 1997

TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Modular Coal Fines Wash Plant, NEICO, Wellington Preparation Plant, ACT/007/012-97D, File #2, Carbon County, Utah

Summary:

The Division received the proposed changes to the Wellington Preparation Plant on July 22, 1997. These changes were in response to the Permittee and Coval request to build a modular coal fines wash plant. They will build the plant in anticipation of the Division's approval of a mining and operation plan that would allow the Permittee and his agents to mine and process coal fines from the refuse piles. The engineering issues are straight forward most of the changes to the operation plan consist of updating maps and increasing the bond amount.

OPERATIONAL PLAN

OPERATIONAL ENGINEERING

Regulatory Reference: 30 CFR Sec. 784.2, 784.11; R645-301-231, -301-526, -301-528, -301-521, -301-526.

Mining Operations And Facilities

Type and Method of Mining Operations

Analysis:

The Permittee temporarily suspended the mining activities at the Wellington preparation plant under the provisions of R645-301-515.300. The Permittee is currently conducting no coal mining activities. The Permittee plans to lease part of the area to Coval, who will recover the fines from the slurry ponds. Coval wants to construct a modular coal fines wash plant as soon as possible. They proposed to build the modular coal fines wash plant before having the Division approve the mine plan. The Division informed the Permittee and Lessor that constructing the wash

plant before the mine plant approval is done at their own risk. The Division must approve another submittal before either party can recover and process coal fines.

Findings

The requirements of this section of the regulations are considered adequate in regard to the proposed permit change for the addition of the modular wash plant.

Facilities and Structures

Analysis

The Permittee states in the future section of the mine plan that:

A modular coal fines wash plant, power lines and above ground water and tailings pipelines are to be constructed for the coal refuse ponds area. This use is entirely consistent with all previous activities that have occurred and been permitted in the past. Site grading, diversions and sediment control measures will direct any runoff that may occur into the Lower Refuse Pond. Practically no growth medium exists where the wash plant is to be built. The small quantity of topsoil required will be borrowed as described in the current MRP. The majority of the facilities will be located on the previously disturbed coarse refuse pile. A 12 and an 8 inch pipeline from the Clear Water Pond to the wash plant will be land on the edge of the Lower Refuse Pond to return tailings and to provide water when the plant becomes operational. Electric power lines will be reinstalled in the existing corridors from the main plant as well as to the supply well. The substation will be located safely beside the wash plant. The river pumphouse will not be refurbished to pump water. However a pump will be installed in a supply well near the river pumphouse. No water pumping is included in this amendment.

The type of equipment to be installed to process the coal fines includes conveyors, screens, hoppers, flotation columns, centrifuges, pumps, tanks, and cyclones. Construction will be phased to allow from some production of washed fines to begin, after approval of the mining and operation minor amendment, while the final additions to the plant are made. The final reclamation of the plant site on the coarse refuse pile

is consistent with the current reclamation plan. Regrading activities are included in the modification to the bond calculations even though very minimal earthmoving is required. Dismantling and disposal of the surface facilities are the focus of the revised bond calculations. Reclamation issues will be expanded on in future submittals. Surface mining of these ponds is being planned and will be detailed in a forthcoming minor amendment.

The Permittee has described the installation of the modular wash plant, utilities and support facilities in the amendment. Figure 5.12-1 shows the location of the modular coal fines wash plant and the support facilities. The map was certified by Rondal Thompson, a registered professional engineer. The approved MRP gives specifics on how the Permittee will maintain and remove the facilities. The Permittee has met the requirements of R645-301-526.

Findings

The requirements of this section of the regulations are considered adequate in the regards to the proposed permit change for the addition of the modular coal fines wash plant.

Relocation or Use of Public Roads

Analysis

The Permittee states in several places in the amendment that they will not construct the modular wash plant within 100 feet of a public road. The requirements of R645-301-526.116 have been met.

Findings

The requirements of this section of the regulations are considered adequate in the regards to the proposed permit change for the addition of the modular coal fines wash plant.

Support Facilities And Utility Installations

Analysis

The Permittee plans to install a 12" and 8" pipeline from the Clear Water Pond to the wash plant. They will reinstall electrical power lines in the existing corridors from the main plant and to the supply well. The substation will be located safely beside the wash plant. They will install a pump near the river pumphouse. All of the support facilities and utilities will be installed in the existing disturbed area. None of the support facilities or utilities will be used until the Division approves the coal fine recovery plan. The Permittee has met the minimum requirements of R645-301-526.200.

Findings

The requirements of this section of the regulations are considered adequate in the regards to the proposed permit change for the addition of the modular coal fines wash plant.

Disturbed Areas

Analysis

The Permittee will install the modular coal fines wash plant, support facilities and utilities in the existing disturbed area. The MRP contains approved maps and plans for all the disturbed areas.

Findings

The requirements of this section of the regulations are considered adequate in the regards to the proposed permit change for the addition of the modular coal fines wash plant.

RECLAMATIONAL PLAN

RECLAMATIONAL ENGINEERING PLAN

Timetable

Analysis

This amendment does not propose to change the existing reclamation timetable. The Permittee must follow the existing reclamation timetable for reclaiming the modular coal fines wash plant.

Findings

The requirements of this section of the regulations are considered adequate in the regards to the proposed permit change for the addition of the modular coal fines wash plant.

Backfilling and Grading

Analysis

This amendment does not propose to change the existing backfilling and grading plan.

Findings

The requirements of this section of the regulations are considered adequate in the regards to the proposed permit change for the addition of the modular coal fines wash plant.

Bonding and Insurance Requirements

Determination Of Bond Amount

Analysis

In amendment 97D the Permittee included reclamation cost estimates for the modular coal fines wash plant. The Division reviewed the information and determined that it was complete and accurate. The Division included the information into the reclamation cost estimate.

The reclamation bond for the Wellington Preparation Plant is \$6,036,000. The Division determined the reclamation costs for the site once the modular coal fines wash plant is installed will be \$6,232,000. The percentage increase of the reclamation bond will be 3.25%. The Division has a policy of increasing the reclamation bond when the reclamation cost estimate increases by 5% or more of the bond amount. Since the reclamation cost did not increase by at least 5%, the Division may choose not to increase the bond amount at this time.

Findings

The requirements of this section of the regulations are considered adequate with regards to the proposed permit change for the addition of the modular coal fines wash plant. The Division should not increase the bond amount at this time.

Recommendations

Approve the amendment to install the modular coal fines wash plant.

Map Refe	Activity	Cost
1.01	Main Plant	\$359,419.00
1.02	Track Hopper	\$164,292.00
1.03	Heater Dryer and Conveyor & Bld.	\$61,484.00
1.04	Refuse Pipeline	\$111,800.00
1.05	Pumphouse	\$8,593.00
1.06	Coarse Refuse Bin	\$1,513.00
1.07	Office Building	\$14,356.00
1.08	Storehouse	\$15,704.00
1.09	Shop	\$15,704.00
1.10	Coal Carbonization Lab	\$5,848.00
1.11	Main Plant	\$16,813.00
1.12	Plant Pump House	\$7,400.00
1.13	Sand Hopper	\$7,466.00
1.14	Substation	\$20,902.00
1.15	Railroad	\$112,735.00
1.16	Powerline West	\$44,715.00
1.17	Natural Gas Pipeline	\$2,055.00
1.18	Powerline East	\$91,389.00
1.19	Pavement	\$106,005.00
1.20	Intake Tower	\$9,694.00
S1.1	Wash Plant	104967
S1.2	Column Flotation Cells	6288
S1.3	Conveyor Belts	4564
S1.4	Office	3289
S1.5	Diesel	1727
S1.6	Pipelines	14292
	Total Demolition Costs	\$1,313,014.00
2.01	Plant Sediment Pond	\$0.00
2.02	Road Pond	\$2,350.00
2.03	Heat Dryer Pond	\$144.00
2.04	Site Grading West of Price River	\$116,562.00
2.05	Cover Refuse Pile with Topsoil	\$107,463.00
2.06a	Slurry Ponds & Pile Subgrade Prep.	\$169,330.00
2.06	Cover Coarse Slurry Pond Pile	\$412,182.00
2.07	Cover Upper & Lower Refuse Basin	\$1,527,858.00
2.08	Grade Out Clear Water Dike	\$38,535.00
2.09	Grade Upper Refuse Dike to 5:1 Slope	\$3,132.00
2.10	Grade off Crest of Lower Refuse Dike	\$11,815.00
2.11	Grade Diversion Ditch West of Price River	\$1,567.00
2.12	Cover River Pumphouse and Slurry Pipeline	\$4,337.00
2.13	Rip Topsoil Borrow Site	\$20,650.00
2.14	Foreman & Watertruck	\$256,819.00
S2.1	Site Grading	\$2,654.00
S2.2	Plant Site	\$1,905.00
	Total Earthwork	\$2,877,303.00
3.00	Revegetation	\$268,456.00
	Overhead and Profit	\$26,846.00
	Total Revegetation	\$295,302.00
4.00	Asbestos	\$43,766.00
	+20% Contractor's Contingency	\$8,753.00
	Total Asbestos	\$52,519.00
	Total Direct Costs	\$4,338,138.00
	Indirect Costs	
	Startup Cost @ 5%	
	(mob/demob, permits, bond)	\$216,907.00
	Contingency @ 10%	\$433,814.00
	Engineering Fee @ 5%	\$216,907.00
	Contract Management @ 5%	\$216,907.00
	Monitoring & Maintenance @ 10%	\$433,814.00
	Total Indirect Costs	\$1,518,349.00
	Total Reclamation Costs	\$5,856,487.00
	Escalation to Dec 1989 dollars	\$375,961.00
	Bond Amount	\$6,232,448.00
	Rounded to nearest \$1,000	\$6,232,000.00