



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

February 13, 1998

TO: File

THRU: Daron Haddock, Permit Supervisor

FROM: Wayne H. Western, Senior Reclamation Specialist

RE: Bond Calculations, Nevada Electric Investment Company, Wellington Preparation Plant, ACT/007/012-97I, Carbon County, Utah

SUMMARY:

On February 11, 1998, Tim Thompson and Wayne Western reviewed the revised reclamation bond costs based on the reclamation plan proposed in amendment 97I. The Division determined the bond could be reduced from \$6,036,000 to \$4,904,000 once the calculations are formally submitted.

TECHNICAL ANALYSIS:

On February 11, 1998, Tim Thompson and Wayne Western reviewed the revised reclamation bond costs based on the reclamation plan proposed in amendment 97I. They verified the earthwork volumes, haul distances and grades. The Division determined that the earthwork calculations were correct.

On February 12, 1998, the Division determined the reclamation cost estimate for the Wellington Preparation Plant should be reduced from \$6,036,000 to \$4,904,000. See attachment for details about the bond calculations. The reduction in the bond cost is due to short haul distance for topsoil. The shorter haul distances are the result of identifying barrow sites that are closer to the refuse piles.

The bond calculations were faxed to the Division. The bond calculations were not part of an official submittal because they were not submitted with a C1 form. The Division should not approve the proposed bond calculations until they are properly submitted.

FINDINGS:

The Permittee met the requirements of R645-301-830 by supplying the Division with detailed reclamation cost estimates. The Division determined the reclamation cost for the Wellington Preparation Plant should be \$4,904,000. The Permittee should be allowed to reduce the bond to \$4,904,000. The Division cannot approve new bond calculations until the reclamation costs have been formally submitted to the Division.

CC: Joe Helfrich
Paul Baker
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Wellington Preparation Plant

Current Amount

Demolition Costs

Map Refe Activity	Cost
1.01 Main Plant	\$359,419.00
1.02 Track Hopper	\$184,292.00
1.03 Heater Dryer and Conveyor & Bld.	\$81,484.00
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	\$7,468.00
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	\$81,389.00
1.19 Pavement	\$108,005.00
1.20 Intake Tower	\$9,694.00
S1.1 Wash Plant	\$104,987.00
S1.2 Column Flotation Cells	\$6,288.00
S1.3 Conveyor Belts	\$4,564.00
S1.4 Office	\$3,289.00
S1.5 Diesel	\$1,727.00
S1.6 Pipelines	\$14,292.00
Total Demolition Costs	\$1,313,014.00
2.01 Plant Sediment Pond	\$193.00
2.02 Road Pond	\$2,439.00
2.03 Heat Dryer Pond	\$150.00
2.04 Site Grading West of Price River	\$116,884.00
2.05 Cover Refuse Pile with Topsoil	\$28,048.00
2.06 Cover Coarse Slurry Pond Pile	\$454,919.00
2.07 Cover Upper & Lower Refuse Basin	\$859,478.00
2.08 Grade Out Clear Water Dike	\$158,791.00
2.09 Grade Upper Refuse Dike to 5:1 Slope	\$2,041.00
2.10 Grade off Crest of Lower Refuse Dike	\$12,255.00
2.11 Grade Diversion Ditch West of Price River	\$1,625.00
2.12 Cover River Pumphouse and Slurry Pipeline	\$2,732.00
2.13 Rip Topsoil Borrow Site	\$21,572.00
2.14 Foreman & Watertruck	\$149,977.00
S2.1 Site Grading	\$3,675.00
S2.2 Plant Site	\$1,448.00
Total Earthwork	\$1,814,227.00
3.00 Revegetation	\$288,456.00
Overhead and Profit	\$28,846.00
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	\$3,475,062.00
Indirect Costs	
Startup Cost @ 5%	
(mob/demob, permits, bond)	\$173,753.00
Contingency @ 10%	\$347,506.00
Engineering Fee @ 5%	\$173,753.00
Contract Management @ 5%	\$173,753.00
Monitoring & Maintenance @ 10%	\$347,506.00
Total Indirect Costs	\$1,216,271.00
Total Reclamation Costs	\$4,691,333.00
Escalation to Dec 1999 dollars	\$212,526.00
Bond Amount	\$4,903,859.00
Rounded to nearest \$1,000	\$4,904,000.00