

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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August 15, 2006

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor *pgl*

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

RE: Phase II Bond Release, Arch Western Bituminous Group, LLC, Gordon Creek 2, 7, & 8 Mines, C/007/0016, Task ID #2591

### SUMMARY:

The Phase II bond release application (Task #2384) was received on December 12, 2005. The Permittee applied for Phase II bond release for 146,578.00. This includes the 32.52 acres of reclaimed mine disturbance. The mines are located in Bryner Canyon approximately 20 miles northwest of Price, Utah and can be located on the Jump Creek 7.5 minute quadrangle map. The Division reviewed the application and found it to be defective.

The disturbed area at the Gordon Creek No. 2, No. 7 and No. 8 Mines contains 34.15 acres of which the Permittee is seeking Phase II bond release on 32.52 acres. The remaining 1.63 acres contain three sediment ponds that will be removed and the area reclaimed after Phase II bond on the 32.52 areas has been approved.

Swisher Mining Company originally disturbed the No. 2 mine in late 1969. No topsoil was salvaged at the site during construction. Coal refuse was dumped along the embankments of the stream channel of Bryner Canyon. Mountain Coal Company permanently sealed the portal in 1985.

The No. 7 Mine was disturbed in 1983. Extensive excavation occurred which left an escarpment about eighty feet high. The No. 7 Mine portal was sealed in December 1990. Approximately fifty feet of the escarpment was covered during regrading and channels were reestablished.

The No. 8 Mine was opened in 1989 and then sealed in 1990. Due to poor mining conditions, the operator was forced to close the mine shortly after opening it.

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The No. 7 and No. 8 mine sites were backfilled and regarded in 1997 . Reclamation of the No. 2 mine began in 1998.

On October 9, 2003, the Division granted Phase I bond release for the all areas with the exception of the Sweet's Pond area. The Division granted the Sweet's Pond area Phase III bond release on October 9. 2003.

**TECHNICAL ANALYSIS:**

## **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 meet the general requirements for bond release. Those requirements include:

**Notarized Signatures:** The Permittee included an affidavit with a notarized signature of a company official stating the all the reclamation work had been completed.

**Notification Letters:** The Permittee included copies of notification letters that will be sent to land owners and government official.

**Maps:** The Permittee included a map showing were the Phase II area is located.

**Findings:**

The information in the bond release application is adequate to meet the requirements for Phase II bond release.

## **BONDING AND INSURANCE REQUIREMENTS**

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

### **Analysis:**

#### **Determination of Bond Amount**

R645-301-830.100 requires that the Division determine the bond amount. The current bond amount of \$256,578 is in 2005 dollars. R645-301-830.100 requires that the Division escalate the bond amount. The Division escalates the bond from midterm to midterm. The Division scheduled the next midterm for February 2007. Therefore, the dollar amount must be in 2007 dollars.

The Division estimated the reclamation cost in the event of bond forfeiture at \$171,000 in 2007 dollars. Since the current bond is for \$236,578, the maximum amount of bond release is \$85,578 dollars.

### **Findings:**

The Permittee meet the minimum requirements for Phase II bond release.

### **RECOMMENDATIONS:**

The Division should approve Phase II bond release on