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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 29, 1999

TO: File

THRU: Daron Haddock, Permit Supervisor DRH

FROM: Wayne H. Western, Reclamation Specialist III WHW

RE: Informal Request for Bond Adjustment, Canyon Fuel Company, LLC, Soldier Canyon Mine, ACT/007/018, File #2, Carbon County, Utah

Summary:

The Permittee and the Division have been informally discussing a bond adjustment for the Soldier Creek mine. Both parties agree on the demolition costs. The Permittee and the Division do not agree on the revegetation and earthwork costs. The areas of disagreement are stated in the analysis section. Before bond adjustment the Permittee must address the Division's concerns.

Analysis:

The following is the Division's analysis of the informal request for bond adjustment for the Soldier Canyon Mine.

Demolition:

The Division calculated the demolition costs for all structures that exist on the site to be . $436,526. The Permittee stated in informal discussion that they agreed with the Division's estimate.

Revegetation Costs:

The Permittee and the Division do not agree on the following revegetation costs:

- The Permittee and the Division do not agree on the revegetation unit costs. The Division used 1999 *Means* unit costs. The Permittee used the unit costs that were in the original bond cost data. The origin of those unit costs and escalation is unknown. The Permittee

will check their references.

- The Permittee and the Division did not agree on reseeding costs. The Division assumes that 25% of the area will be reseeded. The Permittee stated that any reseeding should be part of the monitoring and maintenance costs.

- The Permittee stated that soil preparation costs were included in the earthwork costs. However, the Division is unable to find the soil preparation costs in the earthwork costs. The Permittee must identify the soil preparation costs in the earthwork calculations or include them in the revegetation costs. Those costs include ripping or gouging.

Earthwork:

The Division reviewed the earthwork cost and had several concerns as follows:

- On Page A-7 of the bond calculations, the Permittee stated that 90,820 CY will be rough graded. The Division reviewed the earthwork volumes given in the MRP and was unable to determine how the amount of 90,820 CY was calculated. The volume of fill material shown on Table 5.42 is 49,687 CY and the fill material in the sediment pond is 4,500 CY. The total fill material identified in the MRP text is 54,187 CY. The Division assumes that the fill material would be rough graded. The fill shown on Reclamation Volume Map 42A is 61,117 CY and the sediment pond fill material is 4,500 CY. The total fill material identified from Map 42A and the sediment pond is 65,617 CY. **The Permittee must show where to be rough graded is located. The Permittee must show how the volume to be rough graded was calculated.**

- On Page A-8 of the bond calculations, the Permittee stated that topsoil will be spread on 21.82 acers. The disturbed surface area for the Reclamation Volume Map shows that 10.33 acers will be reclaimed. **The Permittee must show what areas will receive topsoil.**

- On Page A-9 of the bond calculations, the Permittee stated that 12,241 CY of topsoil and riprap will be loaded onto trucks. However, on Page 5-67 of the MRP the Permittee states 6,764 CY of topsoil, 6,699 CY of riprap and 3,211 CY of filter gravel will be used: the total volume of those three items is 13,463 CY. On Page A-11 of the bond calculations the Permittee states 18,474 CY of topsoil and riprap will be hauled. The topsoil volume show on the Reclamation Map is 8,362 CY. None of the volumes for topsoil or riprap are consistent. **The Permittee must show how the volumes of topsoil and riprap were calculated and the volumes in the MRP and bond calculations must be consistent.**

- On Page A-10 of the bond calculations, the Permittee stated that 32,778 CY of fill will be used to backfill the portals. However, on Page 5-67 of the MRP the Permittee stated that 32,032 CY of material will be used to backfill the portals. **The Permittee must use consistent volumes for portal backfill.**

- **The Permittee must also include productivity calculations and earthwork costs for shaft sealing.**

- On the first page numbered Page A-11 of the bond calculations, the Permittee states 18,474 CY of topsoil and riprap will be hauled. See comment for Page A-9 of the bond calculations.

- On the second page numbered A-11 of the bond calculations, the Permittee shows that 396 CY of sub-base will be hauled to the site. **The Permittee needs to show how that volume was calculated, where the material will come from and where it will be placed.**

- On the first page numbered Page A-12 of the bond calculations, the Permittee stated that 42,827 CY of material will be excavated during the culvert removal. **The Permittee must show where that material will be placed.** That information is needed to determine haul costs.

- On the second page numbered Page A-12 of the bond calculations, the Permittee states that 25,683 CY of material will be excavated in cut areas. **The Permittee must identify the cut areas and how the volume was calculated. The Permittee must also show where the material will be placed.** That information is needed to determine haul costs.

- The amount of cut material in the bond calculations is 68,510 CY that is similar to 68,431 CY of cut material listed in Table 5.42-1. However, the amount of cut material shown on Map 5.42A is 77,636 CY. **The Permittee must show how the cut volumes were calculated and be consistent with the cut volumes.**

- **The Permittee must show that the cut and fill amounts balance.** The cut and fill calculations must include the sediment pond and the shaft closure.

Findings:

The Division is unable to make a bond adjustment for the Soldier Creek mine because the bond calculations are inadequate.

Recommendations:

The Division should sent the Permittee a list of deficiencies that must be addressed prior to bond adjustment.

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