

# TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

September 24, 2004

TO: Internal File

THRU: Karl R. Houskeeper, Environmental Scientist III, Team Lead *KRH by an*

FROM: Wayne H. Western, Environmental Scientist III/Engineering *WHTW*

RE: 2004 Midterm Permit Review, Andalex Resources Inc., Centennial Mine, C/007/019, Task ID #1985

*OK*

## SUMMARY:

The Division conducted a midterm review of the Centennial Mine in 2004. As part of the midterm review, the Division evaluated the reclamation cost estimate. The Division now escalates from midterm to midterm. Therefore, the reclamation cost was escalated to 2009.

The current bond is for \$820,000 and the revised reclamation cost is \$918,000. Therefore, the Andalex Resources Inc. (ARI) must post a bond for the new amount.

## TECHNICAL ANALYSIS:

## RECLAMATION PLAN

## BONDING AND INSURANCE REQUIREMENTS

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

**Analysis:**

**Determination of Bond Amount**

The Division now escalates bonds from midterm to midterm. Therefore, the Centennial bond was escalated to 2009. The current bond amount is \$1,080,839 and the revised bond amount is \$918,000. Thus, the current bond is adequate.

The Division gave ARI a copy of the bond calculations. ARI reviewed the bond calculations and submitted them for incorporation in the MRP.

**Findings:**

The information in this section of the PAP is adequate to meet the requirements of this section of the Regulations.

**RECOMMENDATIONS:**

The Division should approve the amendment.