

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

May 22, 2007

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor 

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

RE: Review Reclamation Cost Estimate, Andalex Resource Inc., Centennial Mine, C/007/0019, Task ID #2626

SUMMARY:

The Division undertook a review of the reclamation cost estimate and bond amount for the permittee operations that were recently acquired by Murray Energy. The Division recently reviewed the Centennial Mine reclamation cost estimate not only as part of the general review but also for other amendments and determined that the bond is adequate.

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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 Permittee met the minimum requirements of this section of the regulations. The Division estimated cost of reclamation at \$1,1342,000 in 2009. The Permittee currently has a bond in place for \$1,520,000. Therefore, the Division could reclaim the site in the event of bond forfeiture.

Findings:

The information provided in the MRP is considered adequate to meet the requirements of this section.

RECOMMENDATIONS:

The Division should consider that the reclamation cost estimate and the reclamation bond amount as sufficient to ensure that the Division could reclaim the site in the event of bond forfeiture.