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DEPARTMENT OF NATURAL RESOURCES  
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February 11, 1999

TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

THRU: Joe Helfrich, Permit Supervisor *JH*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Estimate to Reclaim the Underground Development Waste Storage Pile, Horizon Mining, LLC, Horizon Mine, ACT/007/020, File #2, Carbon County, Utah

**SUMMARY:**

On February 9, 1999, Bill Malencik and Wayne Western visited the Horizon Mine to measure the underground development waste (waste rock) pile. We calculated the volume of the pile to be 11,000 cubic yards. The volume of the pile in September 1998 was 1481 cubic yards.

**Analysis:**

On February 9, 1999, Bill Malencik and Wayne Western arrived at the Horizon Mine at 8:30 A.M. and left at 10:00 A.M.. We meet with Larry Jones, the mine manager. Bill and I told Larry that we would measure the waste rock site.

The pile increased in size since Bill Malencik measure it in September 1998. At that time the pile was approximately 200 feet long, 20 feet wide and 20 feet high. The pile now measures 220 feet long, 120 feet wide and 54 feet high. The volume of the piles was calculated to be 11,000 cubic yards. The pile increased seven fold since September 1998. The pile now borders the rip rap channel and blocks the truck loading loop.

In addition to the underground development waste being stored at the temporary storage site there is a large pile of material similar to the underground development waste below the conveyor transfer point.

The calculations were done in the Price Field office because the cold temperature affected my calculator batteries. I determine the volume of material in the main pile to be 11,000 cubic yards. The volume of material based on Bill Malencik's September 1999, measurements was 1,500 cubic yards. The pile has increased seven fold between September 1998 and February 1999.

Waste Rock Storage Pile

ACT/007/020-98F

February 16, 1999

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On February 9, 1999, I delivered a hand written note for Larry Jones. The mine does not have a reliable phone system. In the note I told Mr. Jones that I had calculated the volume of the underground development pile to be 11,000 cubic yards. I asked him if that figure was reasonable and to contact me if he had any questions.

On February 10, 1999, I calculated the direct cost to ship the underground development waste from the Horizon Mine to the Sunnyside Cogeneration Plant to be \$116,000. The total cost to reclaim the underground waste development waste pile is \$134,000 in 2000 dollars. The current bond for the Horizon Mine is \$209,195.31. The amount in the current bond for reclaiming the underground development waste is \$3,349 (includes direct and indirect costs plus escalation to year 2000).

I assumed the round trip would take two hours and that six trucks with 18 cubic yard capacities would be used. The trucks would be loaded with a front end loader. The unit costs were from BlueBook. I used the lowest unit costs published by either Means or BlueBook when calculating the haulage costs. See attachment for details.

I asked Louie Amodt to estimate the cost to ship the material based on historical cost data. He said that the going rate for long haul trucking in the Price area is \$.05 per ton-mile. Assume 100 mile round trip and that density of material is 1 ton/cy. The direct trucking cost would be \$55,000. The cost of the loader would be \$22,000. The direct cost would be \$77,000. The total cost in 2000 dollars is \$89,000 ( indirect cost 10% plus escalation).

### **Findings:**

The reclamation bond is not adequate to cover the reclamation. Therefore, the Permittee is not adequately bonded as required by R645-301-812.700. **The Permittee should increase the bond by at least \$130,000.**

cc: Mary Ann Wright  
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