



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 16, 1994

Kathleen Welt
Environmental Supervisor
Mountain Coal Company
P.O. Box 591
Somerset, CO 81434

Re: Increase Bond to 1999 Dollars, Division Order-94A, C.V. Spur Coal Processing and Loadout Facility, Mountain Coal Company, ACT/007/022-DO-94A, Folder #3, Carbon County, Utah

Dear Ms. Welt:

Enclosed please find a Division Order that requires Mountain Coal Company to increase the bond for C.V. Spur Coal Processing and Loadout Facility to \$2,728,178 (1999 dollars). Please increase this bond by September 19, 1994.

If you have any questions, please call me or Pamela Grubaugh-Littig.

Very truly yours,

A handwritten signature in black ink, appearing to read "James W. Carter".

James W. Carter
Director

Enclosure

cc: Pamela Grubaugh-Littig



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

PERMITTEE

Ms. Kathleen G. Welt
Mountain Coal Company
C.V. Spur Prep Plant
P.O. Box 591
Somerset, Colorado 81434

ORDER & FINDINGS
of
PERMIT DEFICIENCY

PERMIT NUMBER ACT/007/022
DIVISION ORDER # 94A

PURSUANT to R645-303-212, the DIVISION ORDERS the PERMITTEE, Mountain Coal Company, to make the permit changes enumerated in the findings of permit deficiency in order to be in compliance with the State Coal Program. These findings of permit deficiency are to be remedied in accordance with R645-303-220.

FINDINGS OF PERMIT DEFICIENCY

The Division finds the permit deficient in that the present reclamation bond is not adequate to cover the estimated reclamation costs.

The present reclamation cost estimate, which is escalated only through 1988, is \$2,224,322. The present bond is for \$2,441,745, in 1994 dollars. When the present reclamation cost estimate is escalated through 1999, the year-by-year cost breakdown is as follows:

<u>Year</u>	<u>Escalation Factor</u>	<u>Escalated Total</u>
1988	--	\$2,224,322
1989	1.77%	\$2,263,692
1990	0.77%	\$2,281,123
1991	1.27%	\$2,310,093
1992	2.21%	\$2,361,146
1993	2.54%	\$2,421,119
1994	2.01%	\$2,469,784
1995	2.01%	\$2,519,427
1996	2.01%	\$2,570,067
1997	2.01%	\$2,621,725
1998	2.01%	\$2,674,422
1999	2.01%	\$2,728,178

The present bond amount of \$2,441,745 falls far short of the anticipated reclamation costs for both the present (1994) and 1999 and is, therefore, not adequate.

Regulations Cited R645-301-542.800, R645-301-830.300, R645-301-830.410, R645-301-850.100

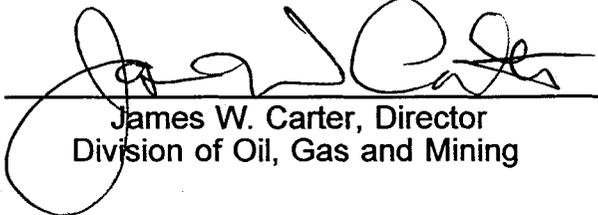
Requirements

In order to comply with these regulations, the permittee must increase the reclamation bond to at least the estimated 1999 reclamation cost of \$2,728,178.

ORDER

Mountain Coal Company is ordered to make the requisite permit changes in accordance with R645-303-220 and to submit a complete application for permit change to address the findings of permit deficiency within 30 days of date of the Order. Approval by the Division must be obtained within 60 days of date of this Order. All approvals not obtained within 60 days may result in a hindrance violation.

Ordered this 16th day of August, 1994, by the Division of Oil, Gas, and Mining.


James W. Carter, Director
Division of Oil, Gas and Mining