



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

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

RE: Reclamation Bond Review, Savage Industries, Inc., Savage Coal Terminal,
ACT/007/022, File #~~22~~ Carbon, County, UT.

Summary:

As part of the midterm the Division reviewed the reclamation bond for the Savage Coal Terminal.

Analysis:

The reclamation cost estimates are shown in Section 3.5.7 of the Mining and Reclamation Plan. They listed each reclamation activity along with the equipment and labor requirements and needed time to complete the projects. They also include a list of the equipment costs and labor rates in the cost estimate.

The Permittee did not give the Division productivity calculations, the size and type of material for each structure to be demolished, or the volume and distance associated with each earthwork project. Disposal cost for the demolition debris was not presented in the estimates. That information is essential for the Division to verify the productivity calculations.

The Division does not have enough information to verify the reclamation cost estimate. R645-301-830 states:

“R645-301-830 Determination of Bond Amount.

830.100, The amount of the bond required for each bonded area will:

830.110, Be determined by the Division;

830.120, Depend upon the requirements of the approved permit and

reclamation plan;

830.130, Reflect the probable difficulty of reclamation, giving consideration to such factors as topography, geology, hydrology and revegetation potential; and

830.140, Be based on, but not limited to, the detailed estimated cost, with supporting calculations for the estimates, submitted by the permit applicant. The Permittee must supply the Division with that information.”

The Permittee must supply the Division with detailed information about the demolition and disposal of the structures and the earthwork.

Findings:

The Permittee has not met the requirements of R645-301-830. They did not supply the Division with detailed site specific information about the probable reclamation costs.

Recommendations:

Because bond calculations can be complicated, the Division should offer to have an informal conference with the Permittee to discuss the issues.