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

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May 20, 2002

TO: Internal File
THRU: Joe C. Helfrich, Senior Reclamation Specialist/Team Lead *JCH*
FROM: Wayne H. Western, Senior Reclamation Specialist III *WHW*
RE: Midterm Review, Savage Industries Inc. Savage Coal Terminal Mine, C007/022-MT02

SUMMARY:

On March 26, 2002, the Division sent a letter to the Permittee stating that the Division would be conducting a midterm review of the mining and reclamation plan for the Savage Coal Terminal. The Division stated five issues that will be reviewed during the midterm in the March 26, 2002 letter. In a letter dated April 19, 2002, the Division included three more items to be reviewed during the midterm review. The only specific engineering issue that was listed for review is the reclamation bond. The Division completed a review of the reclamation costs as part of AM02, expansion of the coal stockpile area.

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 provided the Division with updated bond costs calculations for the coal stockpile amendment AM02, which was approved on April 19, 2002. The current bond amount

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is for \$2,525,000. The Division calculated the bond amount to be \$2,154,000. Therefore, the current bond is adequate.

Findings:

The information in the mining and reclamation plan is adequate for the Division to make a determination about the reclamation cost estimate. The Division found that the bond amount is sufficient to allow the Division to reclaim the site in the event of bond forfeiture.

RECOMENDATION:

The Division should find that the bond amount is adequate to ensure reclamation in the event of a bond forfeiture.

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