

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

July 7, 2006

TO: Internal File

THRU: D. Wayne Hedberg, Permit Supervisor
Dana Dean, Team Lead

FROM: Wayne H. Western, Environmental Scientist III

RE: Proposed Expansion of Disturbed Area, Task ID#2524, Savage Industries, Inc., Savage Coal Terminal, C/007/0022

SUMMARY:

Savage Industries, Inc. submitted an amendment proposing to expand the disturbed area at the Savage Coal Terminal on May 16, 2006. The expansion is in conjunction with plan to restart the preparation plant. This memo covers the bonding related issues.

TECHNICAL ANALYSIS:

ENVIRONMENTAL RESOURCE INFORMATION

PERMIT AREA

Regulatory Requirements: 30 CFR 783.12; R645-301-521.

Analysis:

The Permittee must include/update a chart that shows:

- The permitted area, subdivided into federal, state and fee acres.
- The disturbed acreages.

Findings:

The information provided in the proposed amendment is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-521.190 The Permittee must include/update a chart that shows • the permitted area, subdivided into federal, state and fee acres and • the disturbed acreages.

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Permittee did not meet the requirements of this section of the regulations. The Permittee must:

- Show the reclamation cost estimate for the new disturbed area. The calculations must be based on haul distances and cubic yards moved. The Division will not accept average cost per acre. In addition, the reclamation cost estimate must be based on the approved reclamation plan.
- Include the Division's reclamation cost estimate in the MRP. The Division will provide either a paper or electronic copy of the reclamation cost estimates.

Findings:

The information provided in the proposed amendment is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-830.140, The Permittee must provide detailed reclamation cost estimate that are based on the reclamation plan. The reclamation cost estimates must show items such as but not limited to cubic yards, haul distances, grades and type of equipment used. The Division does not accept per acre cost.

R645-301-830.110 The Permittee must include a copy of the Division's reclamation cost estimate in the MRP. The Division will provide either a paper or electronic copy of the reclamation cost estimates.

RECOMMENDATIONS:

The Division should deny the amendment until all of the above mention deficiencies have been addressed.