



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

Internal  
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August 29, 1997

TO: File

THRU: Daron Haddock, Permit Supervisor *DORZ*

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

RE: Revised Bond Calculations, Andalex Resources, Inc., Wildcat Loadout, ACT/007/033, File #2, Carbon County, Utah  
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**Summary:**

The Division reviewed the bond calculations for the Wildcat Loadout and determined the amount \$698,000.

**Analysis:**

When the Permittee submitted the reclamation cost estimate, they used a unit cost for concrete demolition of \$4.00 per cubic yard. The Division rejected the Permittee's concrete demolition cost because it was lower than the standard AML cost. Because the Permittee did not respond, the Division used Means concrete demolition cost of \$118.00 per cubic yard.

Skyline and other mines have objected to Means concrete demolition cost of \$118.00 per cubic yard. The Division studied concrete demolition costs and determined that on big projects that concrete could be demolished for \$26.00 per cubic yard. The Division's estimate is based on a 125-horsepower excavator with a hydraulic hammer. Means estimate was based on a 50-horsepower backhoe. By using larger equipment the unit cost for concrete demolition is greatly reduced.

On August 29, 1997, Dan Guy asked the Division to review the concrete demolition cost estimate. Since the Division now estimates concrete demolition at \$26.00 per cubic yard, the reclamation estimate for the Wildcat Loadout was revised. The current reclamation cost estimate for the Wildcat Loadout is \$698,000.

**Findings:**

The bond for the Wildcat Loadout should be changed to \$698,000.