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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 17, 2017

R. Dan Eldredge, General Manager
Intermountain Power Agency
10653 South River Front Parkway, Suite 120
South Jordan, Utah 4095

Subject: Midterm Completion Response, Intermountain Power Agency, Wildcat Loadout, C/007/0033, Task ID #5431

Dear Mr. Eldredge:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than June 22, 2017.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/sqs

cc: Aaron Perlman, IPA

Kit Pappas

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070033
TaskID: 5431
Mine Name: WILDCAT LOADOUT
Title: MIDTERM COMPLETION RESPONSE

Reclamation Plan

Bonding Determination of Amount

Analysis:

The Midterm Response does not meet the State of Utah requirement for R645 Determination of Bond R645-301-830. Permittee must provide accurate reclamation cost estimates and supporting documentation and references for costs.

It was observed that all costing links in the spreadsheets were not connected to the cost factor page and some of the cost were not in 2016 dollars. Example: 02 41 13.46 0100 Fire Protection (Steel Pipe w/insulation, 3/4 inch -4inch should have been \$3.21 from 2016 RS Means book. Other items observed were extra large tanks on Oil Storage Tanks (4)30. Are these tanks size in barrel as stated or are they gallons? Cost to move tanks is much more than around \$400. Cost should also include oil clean up with the tank removal, hauling, and disposal.

Deficiencies Details:

The Midterm Response does not meet the State of Utah requirement for R645 Determination of Bond R645-301-830. Permittee must provide accurate reclamation cost estimates and supporting documentation and references for costs.

- Permittee needs to provide updated 2016 cost for all bonding calculations.
- Provide accurate quantities, units, sizes and costs for all descriptions.
- Provide more detail for the earthworks sheets. Include all cost for all Equipment and Labor overhead and hourly costs. Example: it cost more than \$44.45 an hour for a D9R Semi-U EROPS. Please provide back up, accurate costs, and references for the costs and/or bids for all earthwork equipment. overhead of 10% needs to be included - if bids are used, please provide 3 bids for comparison and so we may contact for confirmation.
- Provide a bid to remove all of the tanks on Oil Storage Tanks (4) 30 and any other tanks that are larger than RSMeans provides cost for. These large tanks with oil will need more extensive skills to remove than removal of a building or smaller tank (gallons). These will also have reinforced concrete slabs to be removed.
- Provide cost to remove all Light poles and support concrete in the demo cost.
- Provide cost (bids) for any pieces of equipment in Misc. Equip. 33 demo sheet that are not provided in RS Means example Pumps (to be sold) needs a cost of removal.
- Provide in the midterm submission all bids including the vegetation bids.
- Provide a pdf copy of all bonding sheets.

bwiser