



GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

August 8, 2017

Dan Eldredge, General Manager  
Intermountain Power Agency  
10653 South River Front Parkway, Suite 120  
South Jordan, Utah 84095

Subject: Midterm Completion Response, Intermountain Power Agency, Wildcat Loadout, C/007/0033, Task #5489

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 September 8, 2017.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock  
Coal Program Manager

DRH/sqs

O:\007033.WCL\WG5489 MIDTERM RESPONSE\Deficiencies.doc





## Technical Analysis and Findings

### Utah Coal Regulatory Program

**PID:** C0070033  
**TaskID:** 5489  
**Mine Name:** WILDCAT LOADOUT  
**Title:** MIDTERM COMPLETION RESPONSE

### Reclamation Plan

### Bonding Determination of Amount

#### *Analysis:*

The Midterm Completion Response is deficient and does not meet the State of Utah R645-301-830 requirements for Determination of Bond Amount.

R645-301-830 The revision date on the bond spreadsheets is incorrect. The date indicates Revised May 2014.

R645-301-812.200, 812.300, R645-301-830, Utah Coal Technical Directive 007 - Section 7B12: As per the newest Tech 007 regulations that went into effect July 18, 2017, all bonding calculations now require that overhead and profit costs be added to categories of direct costs (demolition, earthwork, and revegetation). Overhead and profit costs will need to be used for all direct costs in your bond calculation revisions. All bids need to be provided and include overhead and profit. While doing my review I couldn't find the revegetation bids for 1) Hydro spreader equip and labor, 2) seed (material costs), 3) Hay bale, 4) D9 Production Rate of 180-1 Acre inch, 5) Approved Reclamation Seed mix Great Basin costs and 6) Labor farm tractor - equipment. The O&P cost will also need to be included in these costs. If you have questions regarding Tech007 please contact us.

R645-301-830 It is unclear in the MRP amendment and on the plates if the proposed Oil Transloading Facility is "proposed only" and that it is not being bonded for at this time. There is no wording or plates that show existing only and proposed only items. Figure 2 and Figure 3 do not have Legend's. Figure 1 has a Legend with Existing Facility area. The permittee must be clear that the Oil Transloading Facility will be bonded before any construction begins.

R645-301-830, Tech 007. On the total demo page the Office trailer shows a cost of "To be sold". This cost will need to be the worst case scenario. If the trailer is still there removal will need to be bonded for.

#### *Deficiencies Details:*

The Midterm Completion Response is deficient and does not meet the State of Utah R645-301-830 requirements for Determination of Bond Amount. The following deficiencies must be addressed prior to final approval:

R645-301-830 The permittee must correct the revision date on the bond spreadsheets from revised May 2014 to the correct date.

R645-301-812.200, 812.300, R645-301-830, The permittee must insure that all bonding calculations include overhead and profit costs for all direct costs (demolition, earthwork, and revegetation). The permittee must include all bids for revegetation 1) Hydro spreader equip and labor, 2) seed (material costs), 3) Hay bale, 4) D9 Production Rate of 180-1 Acre inch, 5) Approved Reclamation Seed mix Great Basin costs and 6) Labor farm tractor - equipment. The O&P cost will also need to be included in these costs. Refer to letter mailed on July 18, 2017 and the revised Tech007.

R645-301-830 The permittee must update the MRP to clearly identify the proposed Oil Transloading Facility, that it is "proposed only", and is not being bonded for at this time, include wording that "no construction or implementation will take place till it is fully bonded for". The permittee must provide Legends for Figure 2 and Figure 3. Permittee must clearly identify what is proposed, what is existing, what is currently bonded for, and what is not yet bonded for.

R645-301-830, Tech 007. The permittee must remove the "To be sold" from the Office trailer cost. This cost will need to be the worst case scenario. If the trailer is still there removal will need to be bonded for.

**bwiser**