



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

November 3, 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 #5547

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 December 4, 2017.

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

Sincerely,

Daron R. Haddock
Coal Program Manager

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070033
TaskID: 5547
Mine Name: WILDCAT LOADOUT
Title: MIDTERM COMPLETION RESPONSE

Reclamation Plan

Bonding Determination of Amount

Analysis:

The application does not meet the State of Utah R645 requirements for Determination of Bond Amount. The following deficiencies must be addressed prior to final approval.

R645-301-830.140. Review of the submitted midterm Completion Response revealed an acreage change that was made by the operator in this submittal on revegetation cost sheet page 42 of 42. The acreage needs to be corrected back to 81.79 acres instead of 69 acres. The total disturbed acreage is 111.62: $(81.79 + 6.83 + 23 = 111.62)$. Twenty-three acres was added to the disturbed area in November 2015 to cover coal fines being blown onto it. The 23 acres will need to have a vacuum cost associated with it in the bonding sheets, but doesn't need to have earthwork associated with it. The operator will need to provide a vacuum truck cost for a day to cover cost for this additional disturbed area.

R645-301-830.140. An error was found on page 42 of 42 where the line item Mulch Hydro Spreader (equip. & labor) was not added into the subtotal and total. The cost for the Mulch Hydro Spreader must be added into the subtotal and totals of this page.

R645-301-830.140. On page 42 of 42 the Revegetation, or reseeding rate of 25% was calculated incorrectly and will need to be correct. The rate is 25% and must be calculated using all of the revegetation costs. This amount when correctly calculated will be \$78,758.00.

R645-301-830.140. Permittee didn't include detailed references on Earthwork pages 39-41, and references that were provided on these pages were incorrect. These pages will need to have a reference column and a year column added before the Equipment cost column so that the references will be able to be added to the sheet, adding these columns will update the earthwork sheet to the Divisions current Earthwork sheet. The incorrect references are in brackets next to the itemized equipment and will need to be removed.

References must be included, updated, and correct. Example of an error is a reference on page 41 of 42 for D9R Semi-U EROPS (9-25)(2H2007), this reference refers to second half of year 2007 section 9, page 25. The correct M&RP year is 2016 but the operator chose to use 2017 costs so the reference year should be 2017 and the updated section and page should reflect the 2017 section and page instead. All of the equipment and cost should have references in 2017 with the updated sections and pages included. The Divisions most recent Earthwork form has a column for references and the year of the reference. The operator must use the Divisions most recent forms for ease in providing correct referencing and cost.

The overhead and profit in direct cost calculations for all the earthwork pages cannot be located. The Equipment Overhead of 10% was not included in any of the Earthwork sheets. This cost needs to be provided and identifiable.

R645-301-830.140. There was a cost error made for the Backfill trench minimal haul 2 ¼ CY. The cost must be \$2.5 instead of \$2.10. Make sure that all calculation and costs are identified correctly. The error is found on pages 2 of 42, 26 of 42, and 42 of 42.

R645-301-830.140 There was a cost error made for the Utility pole wood 20' to 30'. The Utility pole wood 20' to 30' cost must be \$310.00 instead of \$3.10 each. The error is found on pages 6 of 42, 24 of 42, and on the cost factor page 2 of 42.

R645-301-200. On page 1-2 of Soils in this submission the following statement is incorrect and will need to be taken out of the M&RP: "This operation will be located on the west side of the Wildcat Coal Loading Facility. According to UDOGM, this facility will not be under their jurisdiction, but will be located within the Wildcat Loadout permit area. Items pertaining to this proposed operation are addressed in Chapter 9 of the M&RP." If there is any other areas in the M&RP where this is written or anything similar to it make sure that it is also removed.

R645-301-830.140 Chapter 8, Bonding, page 8-1 has old, highlighted yellow, bond amounts that are incorrect. Example: "calculated and approved by the Division, in the amount of \$1,064,000. This bond, and all supporting calculations, is included in the MRP in Appendix C, Part D." The amount and verbiage will need to be updated and corrected or removed from the MRP.

R645-301-830.140. Once these deficiencies are corrected the direct cost for Subtotal Demolition and Removal = \$255,049.00, Subtotal Backfilling and Grading = \$332,508.00, Subtotal Revegetation = \$393,803.36, then the total, including direct, indirect and escalation costs for the 2016 midterm bond amount will be \$1,280,000.00 plus the a vacuum truck needed for a day to remove the coal fines from the 2015 additional 23 acres (this vacuum truck costs can be added to the Demolition and Removal subtotal).

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Determination of Bond Amount. The following deficiencies must be addressed prior to final approval.

R645-301-830.140. The permittee must correct the acreage on revegetation cost sheet p.42 of 42.

- The acreage needs to be corrected back to 81.79 acres instead of 69 acres.
- The total disturbed acreage need to be identified as 111.62 acres. Twenty-three acres was added to the disturbed area in November 2015 to cover coal fines being blown onto it. This added 23 acres must have cost estimated for a vacuum truck included in the bond estimates. The division estimates one day cost for the truck. This cost can be added to the Demolition and Removal costs. See analysis for details.

R645-301-830.140. The permittee must correct the error found on page 42 of 42 where the line item Mulch Hydro Spreader (equip. & labor) was missed in the subtotal and total. The cost for the Mulch Hydro Spreader must be included in the subtotal and totals of this page.

R645-301-830.140. The permittee must calculate the Revegetation rate of 25% correctly. The Reseeding rate is 25% and must be calculated using all of the revegetation costs. The Hydro Spreader (equipment & labor) was missed in the calculation. Total Reseeding is \$78,758. The permittee must use both corrected subtotals added together and then times that by .25 to get 25% of the revegetation or reseeding cost. See Analysis for more detail.

R645-301-830.140. The permittee must add correct detailed references on the Earthwork pages 39-41. References must be updated and correct.

- Permittee must use correct year references and the divisions updated forms. See Analysis for more details.
- Permittee must include overhead and profit in all of the direct cost calculations for earthwork. See analysis for details.

R645-301-830.140. Permittee must correct the cost error that was made for the Backfill trench minimal haul 2 ¼ CY. The cost needs to be \$2.5 instead of \$2.10. Make sure that the correct amount is reflected in all of the all bonding sheets. See Analysis for details.

R645-301-830.140 Permittee must correct the cost error that was made in for the Utility pole wood 20' to 30'. The cost

must be \$310.00 instead of \$3.10 for each pole. Make sure that the correct amount is reflected in all of the all bonding sheets. See Analysis for details.

R645-301-200. The Permittee must Strike from the M&RP verbiage that contains any of the quoted language contained on page 1-2 of Soils in this submission - "This operation will be located on the west side of the Wildcat Coal Loading Facility. According to UDOGM, this facility will not be under their jurisdiction, but will be located within the Wildcat Loadout permit area. Items pertaining to this proposed operation are addressed in Chapter 9 of the M&RP." If there is any other areas in the M&RP where this is written or anything similar to it make sure that it is also removed.

R645-301-830.140 The permittee must clarify what is meant by the highlighted in yellow bond amounts that are incorrect and located in Chapter 8, Bonding, page 8-1. Verify and correct these amounts and update the verbiage as necessary. See Analysis for details.

bwiser