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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 16, 1988

Mr. J. T. Paluso
Chief Engineer
Soldier Creek Coal Company
P. O. Box I
Price, Utah 84501

Dear Mr. Paluso:

Re: Bonding, Soldier Creek Coal Company, Banning Loadout, PRO/007/034, Folders 2 and 5, Carbon County, Utah

The Division has determined the bond amount for the Banning Siding Loadout facilities. Enclosed is a copy of the cost estimate and the Reclamation Agreement used to complete the bonding requirements for the site.

The bond amount required is $211,000.000 in 1993$. Posting of this bond will be required prior to permit approval. Please complete the Reclamation Agreement enclosed and return to the Division promptly so that we may issue your permit for the Banning Loadout.

Currently, the Division is preparing the Permit and Decision Package for Banning Loadout and this package should be ready for approval within the next week. We commend you and your staff on the excellent preparation of the Mining and Reclamation Plan which has helped expedite the review process.

an equal opportunity employer

Should you have any further questions regarding the Reclamation Agreement or bonding requirements, please contact Randy Harden or myself. Thank you again for your cooperation in this matter.

Sincerely,

Susan C. Linner

Susan C. Linner
Permit Supervisor/Biologist

Attachments: Reclamation Agreement
Bond Calculations

cc: R. Harden

WPOB7/6-7

SOLDIER CREEK COAL COMPANY, BANNING SIDING LOADOUT - BOND COST ESTIMATE
ACT/007/034 - SEPTEMBER, 1988 - JRH

BREAKDOWN OF RECLAMATION ACTIVITIES

ITEM	JOB	MATERIAL	EQUIPMENT	ACRES	QUANTITY	UNITS	PROD.	UNITS	COST/UNIT	TOTAL COST
I.	DEMOLITION AND REMOVAL									
A.	COAL REMOVAL			15						
			CAT D8L		12100	YD3	302.5	YD3/HR	$129.54/HOUR	$5,181.68
			CAT 950B		12100	YD3	302.5	YD3/HR	$97.62/HOUR	$3,904.77
			40T TRAILER		80	HOURS	1		$64.68/HOUR	$5,174.09
			LABORER		80	HOURS	1		$23.65/HOUR	$1,892.00
			FOREMAN		40	HOURS	1		$33.65/HOUR	$1,346.00
SUBTOTAL A. COAL REMOVAL										$17,498.55
B.	STRUCTURES REMOVAL									
	CONVEYORS	STEEL			2225	YD3	1		$4.59/YD3	$10,212.75
	SILOS	STEEL			1785	YD3	1		$4.59/YD3	$8,193.15
	PLATE ARCHES/TUNNELS	STEEL			1450	YD3	1		$4.59/YD3	$6,655.50
	TANKS/GUARD RAILS/ETC	STEEL			330	YD3	1		$4.59/YD3	$1,514.70
	SILO FOOTERS/FOUNDATIONS	CONCRETE			100	YD3	1		$5.94/YD3	$594.00
	BUILDINGS	CONCRETE			170	YD3	1		$5.94/YD3	$1,009.80
	PADS/CONVEYOR FOOTERS	CONCRETE			110	YD3	1		$5.94/YD3	$653.40
	RECLAIM TUNNELS	CONCRETE			80	YD3	1		$5.94/YD3	$475.20
	CONCRETE DISPOSAL ON SITE				460	YDS	1		$5.10/YD3	$2,346.00
	ASPHALT REMOVAL/DISPOSAL				40000	FT2	1		$1.48/FT2	$59,200.00
	FENCING				3900	FT	1		$1.22/FT	$4,758.00
SUBTOTAL B. STRUCTURES REMOVAL										$95,612.50
SUBTOTAL I. DEMOLITION AND REMOVAL										$113,111.05

ITEM	JOB	MATERIAL	EQUIPMENT	ACRES	QUANTITY	UNITS	PROD.	UNITS	COST/UNIT	TOTAL COST
II. BACKFILLING AND GRADING										
	BACKFILLING AND GRADING			21.4						
			CAT D8L/RIPPER		40	HOURS	1		$129.54/HOUR	$5,181.68
			CAT 950B		40	HOURS	1		$68.14/HOUR	$2,725.68
			LS-3400		40	HOURS	1		$86.80/HOUR	$3,472.09
			DEERE 410B		40	HOURS	1		$49.13/HOUR	$1,965.14
			10YD3 TRUCK		120	HOURS	1		$59.73/HOUR	$7,167.14
			LABORERS		80	HOURS	1		$23.65/HOUR	$1,892.00
			FOREMAN		40	HOURS	1		$33.65/HOUR	$1,346.00
SUBTOTAL II. BACKFILLING AND GRADING										$23,749.73
III. TOPSOIL DISTRIBUTION AND REVEGETATION										
A.	TOPSOIL DISTRIBUTION			21.4						
	RIPPING		CAT D8L/RIPPER		21.4	ACRES	2.33	ACRES/HOUR	$129.54	$1,189.79
	SOIL ANALYSIS				21.4	ACRES	1	SAMPLE/ACRE	$100.00	$2,140.00
	DISCING		DEERE 301A		21.4	ACRES	3.33	ACRES/HOUR	$37.37	$240.15
SUBTOTAL A. TOPSOIL DISTRIBUTION										$3,569.94
B.	REVEGETTION			21.4						
	FERTILIZER				21.4	ACRES	0.025	ACRES/LB	$0.35/ACRE	$299.60
	SEED				21.4	ACRES	1		$275.00/ACRE	$5,885.00
	MULCH				21.4	ACRES	1	ACRES/TON	$140.00/TON	$2,996.00
	BROADCAST FERTILIZER				21.4	ACRES	3	ACRES/HOUR	$35.88/HOUR	$255.92
	HAND SEEDING				21.4	ACRES	2	ACRES/HOUR	$23.65/HOUR	$253.06
	DRILL SEEDING				21.4	ACRES	2	ACRES/HOUR	$39.08/HOUR	$418.15
	MULCHING				21.4	ACRES	2	ACRES/HOUR	$112.17/HOUR	$1,200.19
	CRIMPING				21.4	ACRES	2	ACRES/HOUR	$39.08/HOUR	$418.15
	FOREMAN				16	HOURS	1		$33.65/HOUR	$538.40
SUBTOTAL B. REVEGETATION										$12,264.46
SUBTOTAL III. TOPSOIL DISTRIBUTION AN REVEGETATION										$15,834.40

IV. MOBILIZATION AND DEMOILIZATION

MOBILIZATION AN DEMOBILIZATION	1 LUM SUM	1	$10,000.00/LS	$10,000.00

SUBTOTAL IV. MOBILIZATION AND DEMOBILIZATION $10,000.00

SUBTOTAL FOR ALL ACTIVITIES - $162,695.17

10% MAINTENANCE AND MONITORING COSTS	$16,269.52
10% CONTINGENCY AND ENGINEERING COSTS	$17,896.47
SUBTOTAL IN 1988 DOLLARS	$196,861.16
SUBTOTAL WITH ESCALATION @ 2.3% /YR FOR 3 YEARS (1991 DOLLARS) -	$210,759.39

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TOTAL BOND AMOUNT ESTIMATED TO THE NEAREST $1,000 IN 1991$ - $211,000.00
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III. UNIT COST REFERENCE FOR BOND ESTIMATE:

JOB	COST /UNIT	MEANS # OR REF.		
MISC. DEMOLITION & REMOVAL	$4.59 /YD3	2.20400100	$4.59	MISC
CONCRETE	$5.94 /YD3	2.20400050	$5.94	CONC
PAVEMENT	$1.48 /YD2	2.14501700	$1.48	PAVE
POWERLINES	$3.62 /FT	[OSM EST.]	$3.62	POWERLINE
FENCE REMOVAL	$1.22 /FT	2.14500700	$1.22	FENCE
GUARDRAIL REMOVAL	$4.45 /FT	2.14500800	$4.45	GUARDRAIL
OFF-SITE DISPOSAL	$8.80 /YD3	2.14505600	$8.80	DISP
ON-SITE DISPOSAL	$5.10 /YD3	2.14505500	$5.10	ONSITE
BROADCAST SEED COST	$550.00 /ACRE	[DOGM EST.]	$550.00	BROAD
DRILL SEED COST	$275.00 /ACRE	[DOGM EST.]	$275.00	DRILL
HYDRO MULCH	$140.00 /TON	[DOGM EST.]	$140.00	HAY
FERTILIZER	$0.35 /LB	[DOGM EST.]	$0.35	FERT
MULCH NETTING(INCL. LABOR)	$1,050.00 /ACRE	[DOGM EST.]	*********	NET
SEEDLINGS INCL. LABOR	$2.25 /STEM	[DOGM EST.]	$2.50	SEEDLINGS
CUTTINGS INCL. LABOR	$1.50 /STEM	[DOGM EST.]	$1.50	CUTTINGS
SOIL ANALYSIS	$100.00 /SAMPLE	[DOGM EST.]	$100.00	SOIL
WATER ANALYSIS	$100.00 /SAMPLE	[DOGM EST.]	$100.00	WATER
RIPRAP MATERIALS	$22.00 /YD3	2.33600100	$22.00	RIPRAP

EQUIPMENT COSTS INCLUDING OPERATOR [BLUE BOOK EQPT. RATES; MEANS OPERATOR COSTS]:

EQUIPMENT	MONTHLY RATE	ADJ. RATE /HR	MAINT /HR	OPERATOR/HR	TOTAL COST/HR
D8 DOZER CAT D8L	$10,805.00	$61.39 /HR	$28.50 /HR	$28.65	$118.54
RIPPER ATTACHMENT	$1,540.00	$8.75 /HR	$2.25 /HR		$11.00
D6 DOZER CAT D6D	$5,920.00	$33.64 /HR	$13.70 /HR	$28.65	$75.99
BROADCAST SEEDER/FERTILIZER	$735.00	$4.18 /HR	$3.05 /HR	$28.65	$35.88
LOADER CAT. 950-B	$4,245.00	$24.12 /HR	$42.00 /HR	$31.50	$97.62
LOADER CAT. 955L	$4,865.00	$27.64 /HR	$11.85 /HR	$28.65	$68.14
LOADER CAT. 953	$4,710.00	$26.76 /HR	$11.65 /HR	$28.65	$67.06
12YD3 TRUCK	$3,155.00	$17.93 /HR	$16.55 /HR	$25.25	$59.73
FARM TRACTOR DEERE 301A	$945.00	$5.37 /HR	$3.35 /HR	$28.65	$37.37
DISC ATTACHMENT	$125.00	$0.71 /HR	$1.00 /HR		$1.71
DRILL ATTACHMENT	$125.00	$0.71 /HR	$1.00 /HR		$1.71
CRIMPER ATTACHMENT	$125.00	$0.71 /HR	$1.00 /HR		$1.71
LOADER BACKHOE DEERE 410B	$2,425.00	$13.78 /HR	$6.70 /HR	$28.65	$49.13
EXCAVATOR LINK-BELT LS-3400	$7,410.00	$42.10 /HR	$16.05 /HR	$28.65	$86.80
GROVE MODEL 68 CRANE	$5,230.00	$29.72 /HR	$12.75 /HR	$31.00	$73.47
TRACTOR-TRAILER 40TON CAP.	$4,475.00	$25.43 /HR	$15.00 /HR	$24.25	$64.68
MULCH BLOWER (W/3 LABORERS)	$1,235.00	$7.02 /HR	$5.55 /HR	$99.60	$112.17
HYDO SEEDER W/LABOR	$3,750.00	$21.31 /HR	$8.00 /HR	$70.95	$100.26
COMMON LABORER				$23.65	$23.65
FOREMAN				$33.65	$33.65
PICKUP	$575.00	$3.27 /HR	$3.70 /HR		$6.97