

0004



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

August 1, 1995

TO: Daron R. Haddock, Permit Supervisor

FROM: Wayne H. Western, Reclamation Engineer *WHW*

RE: Response to Newly Formatted Plan Remaining Deficiencies, Soldier Creek Coal Company, Banning Siding Loadout, Received July 17, 1995, ACT/007/034-94C, Folder #2, Carbon County, Utah

Operator's Proposal:

Original deficiency #7 involved the cost and locations associated with the disposal of buildings and coal waste. In section R645-301-541.300 of the permit it says that coal waste ("coal material" or "coal-soil mixture") will be blended with the coal product and shipped to customers. This will result in little, if any, coal waste on site to be reclaimed. It also says that when conveyors and buildings have been demolished the metal will be sold as scrap and the concrete debris will be disposed of in the reclaim tunnel. After the structures have been eliminated, any non-metal material gathered during the site clean-up, which would include coal contaminated material or coal waste, if any, which was not shipped with the product, would be disposed of in the reclaim tunnel.

Analysis:

The Operator's assumption that the metal portion of the building debris will be sold as scrap is not valid according to the Division's guidelines for reclamation bond calculations. The metal debris must either be disposed of on site or shipped to either a remelt facility or a state approved landfill.

Disposal of debris was inadvertently excluded from the bond calculations done during the last permit renewal. During the 1995 midterm review the Division chooses not to require the Operator to make a bond adjustment. The Division and the Coal Operators are in the process of reviewing the procedures for bond calculations. One issue to be reviewed is whether scrap value can be used in bond calculations. At the next permit renewal the Division will adjust the reclamation bond using the updated bonding guidelines. If the Operator were to forfeit the bond the most likely scenario is that steel debris would be sold as scrap. That is what is occurring at the Utah coal mines that are currently being reclaimed.



Findings:

The Division has determined that no bond adjustment is needed at this time. One bond issue that needs to be resolved is whether scrap value can be used when determining bond amount. The Division and the Coal Operators are currently reviewing this policy. The current bond is adequate to handle reclamation in the most likely scenario. During the next permit renewal the bond will be adjusted according to Division guidelines.

BBOND.WHW