

0007

**Canyon Fuel Company, LLC**  
**Dugout Canyon Mine**  
P.O. Box 1029  
Wellington, Utah 84542



May 13, 2005

Ms. Pamela Grubaugh-Littig  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple  
Suite 1210  
Salt Lake City, UT 84114-5801

*J. Miller*  
C/007/0034

**RE: Revisions to Address TA Deficiencies, Task # 2117, Canyon Fuel Company, LLC,  
Banning Loadout, C/007/034**

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of information to address TA Deficiencies for Task # 2117.

Summary of Deficiencies

**R645-301-830** - Refer to revised bond in Appendix 8-1. In addition to being escalated to 2005 dollars, the revegetation section has been revised. The revisions to the revegetation section of the bond provided by Mr. Western include: the removal of seedlings from the bonding costs since the reclamation plans do not include planting seedlings and a correction associated with hay mulch.

**R645-301-121.200** - The removal of information to the "Confidential Binder" has been submitted under a separate amendment. Once that amendment has been approved and incorporated this deficiency should be taken care of. Nothing is being submitted at this time due to the potential for additional confusion as to what information goes where.

**R645-301-121.200** - Refer to the revised pages in Chapter 5.

An additional copy of the submittal has been delivered to the Price Field Office. Please contact Vicky Miller at (435) 636-2869, if there are any questions concerning this submittal.

Sincerely yours,

*Vicky S. Miller*

Vicky S. Miller

Cc: Dave Spillman (enclosures)  
Price Field Office (enclosures)

RECEIVED

MAY 16 2005

DIV. OF OIL, GAS & MINING

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Banning Loadout

**Permit Number:** C/007/034

**Title:** Submission to Address Deficiencies in Post Mining Land Use - Task ID # 2117

**Description,** Include reason for application and timing required to implement:

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes  No 1. Change in the size of the Permit Area? Acres: 0.83 Disturbed Area: 0.41  increase  decrease.
- Yes  No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- Yes  No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes  No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes  No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes  No 6. Does the application require or include public notice publication?
- Yes  No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes  No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes  No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- Yes  No 10. Is the application submitted as a result of other laws or regulations or policies?  
*Explain:* \_\_\_\_\_
- Yes  No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes  No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes  No 13. Does the application require or include collection and reporting of any baseline information?
- Yes  No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes  No 15. Does the application require or include soil removal, storage or placement?
- Yes  No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes  No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes  No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes  No 19. Does the application require or include certified designs, maps or calculation?
- Yes  No 20. Does the application require or include subsidence control or monitoring?
- Yes  No 21. Have reclamation costs for bonding been provided?
- Yes  No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes  No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you.** (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

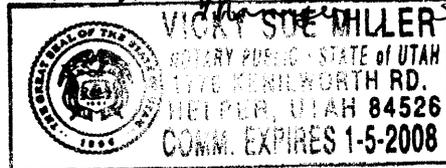
David Spillman  
Print Name

David Spillman, Engineering  
Sign Name, Position, Date

Subscribed and sworn to before me this 12 day of MAY, 20 05

Vicki Sue Miller  
Notary Public

My commission Expires: 1-5, 20 08  
Attest: State of UTAH } ss:  
County of CARBON



<b>For Office Use Only:</b>	<b>Assigned Tracking Number:</b>	<b>Received by Oil, Gas &amp; Mining</b>  <b>RECEIVED</b>  <b>MAY 16 2005</b>  DIV. OF OIL, GAS & MINING
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*R645-301-516 Prevention of Slides in SURFACE COAL MINING AND RECLAMATION ACTIVITIES. An undisturbed natural barrier will be provided beginning at the elevation of the lowest coal seam to be mined and extending from the outslope for such distance as may be determined by the Division as is needed to assure stability. The barrier will be retained in place to prevent slides and erosion.*

N/A This is a surface loadout facility only. There are no surface or underground mines at this site.

**R645-301-520 Operation Plan**

*R645-301-521 General. The applicant will include a plan, with maps, cross sections, narrative, descriptions, and calculations indicating how the relevant requirements are met. The permit application will describe and identify the lands subject to coal mining and reclamation operations over the estimated life of the operations and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought.*

Banning Loadout began operations in 1976 when the Applicant received permission from the BLM to upgrade the existing road and to receive, stockpile and load coal at the site. The total permit area is illustrated on Exhibit 5-1. Surface disturbance area will be marked by perimeter markers, red reflectors attached to fence posts and/or steel pins securely set into the ground. Identification signs will be placed at access points from public roads into the disturbed area. Locations for the signs and markers are shown on Exhibit 5-1.

~~The operation at Banning Loadout is run by Soldier Canyon Mine-Savage Coal Service Corporation (Coal Service) under an agreement with the Applicant. Coal Service is responsible for the transportation of the coal to the site and for the complete operation of the loadout. Exhibit 5-2 details the surface facilities at Banning Loadout. Coal is shipped from the loadout~~

APPENDIX 8-1

BANNING LOADOUT  
RECLAMATION BOND  
(May 2005)

## Bonding Calculations

## Direct Costs

Subtotal Demolition and Removal	\$66,578.00
Subtotal Backfilling and Grading	\$47,527.00
Subtotal Revegetation	\$57,486.00
Direct Costs	\$171,591.00

## Indirect Costs

Mob/Demob	\$17,159.00	10.0%
Contingency	\$8,580.00	5.0%
Engineering Redesign	\$4,290.00	2.5%
Main Office Expense	\$11,668.00	6.8%
Project Mainagement Fee	\$4,290.00	2.5%
Subtotal Indirect Costs	\$45,987.00	26.8%

Total Cost \$217,578.00

Escalation factor 0.0444  
Number of years 1  
Escalation \$9,660.00

Reclamation Cost Escalated \$227,238.00

Bond Amount (rounded to nearest \$1,000) \$227,000.00







Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Tanks Blins Etc 03																			
	Structure's Demolition Cost	Steel Blid. Large	02220 110 0012	0.2 /CF	CF													8910 CF		1782
	Structure's Vol. Demolished																	0.1	891 CF	
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Steel's Weight																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Steel Truck																			
	Transportation Cost Steel Truck Drive																			
	Disposal Cost Steel																			
	Truck dump 18 ton payload		01580 200 5300	435.86/day	day															741
	Truck Driver, Heavy		Trmv	\$42.00	HR															588
	Disposal Cost																			
	Equipment's Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Concrete Demolition																			

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Building 04																				
	Structure's Demolition Cost	Steel Bid Large	02220 110 0012	0.2 /CF	/CF												0.35	4590	CF	918	
	Structure's Vol. Demolished																				
	Rubble's Weight (exclude steel)																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel	City Services	City Service Price	4 /CY	/CY																240
	Steel's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Subtotal																				1198
	Equipment's Disposal Cost																				
	Demanting Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Total																				



Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Concrete CB																				
	Structure's Demolition Cost																				
	Structure's Vol. Demolished																				
	Rubble's Weight (exclude steel)																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Steel's Weight																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Equipment's Disposal Cost																				
	Demolition Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition	Concrete demolition	ConcreteDemo1	3.97 /CY							290					CY					1151
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.39 /CY																	290 CY
	Transportation Cost	1/2 CY (16 Ton) Dump Truck 1/2 mi. md. tm	02315 490 0320	3.44 /CY																	377 CY
	Disposal Costs	On site disposal	02220 240 5550	7.8 /CY																	377 CY
	Subtotal																				2905
	Concrete Demolition																				5537
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Total																				5537

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Asphalt 07																				
	Structure's Demolition Cost																				
	Structure's Vol. Demolished																				
	Rubble's Weight (excludes steel)																				
	Truck's Capacity																				
	Hourly																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Steel's Weight																				
	Truck's Capacity																				
	Hourly																				
	Transportation Cost Steel Truck																				
	Transportation Cost Steel Truck Drive																				
	Disposal Cost Steel																				
	Equipment & Disposal Cost																				
	Dismantling Cost																				
	Equipment & Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Asphalt Demolition																				
	Demolition Cost	Concrete demolition	Concrete/Demol	3.97 /CY	CY						983										3823
	Concrete's Vol. Demolished																				
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.39 /CY	CY																1740
	Transportation Cost																				
	Disposal Costs	City Service Price		4 /CY	CY																5008
	Subtotal																				10571
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Total																				10571



	Equipment Cost	Hourly Operating Costs	Equipment Overhead	Operator's Hourly Wage Rate	Hourly Cost	Number of Men or Eq.	Total Eq. & Lab. Costs	Units	Quantity	Units	Production Rate	Units	Equip. + Labor Time/Dis.	Units	Cost
Backfilling and Grading 01															
Rough Grade															
D9R Semi-U EROPS (9-54) (2H04)	17115	72.3	0.1	52	238.5	1	238.5	\$/HR					64 HR		15264
CLAB					41.55	0.5	20.78	\$/HR					64 HR		1330
Rip															
D9R Semi-U EROPS (9-54) (2H04)	17115	72.3	0.1	52	238.5	1	238.5	\$/HR					30 HR		7155
Multi-Shank Ripper 260-359 P (9-61) (2nd04)	2210	7.3	0.1		21.84	1	21.84	\$/HR					30 HR		655
CLAB					41.55	0.5	20.78	\$/HR					30 HR		623
Subtotal															25027





Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Banning Layout																				
	Packing (340 CY/AC)	Excavation Bulk Bank 2 CY (322BL)	M023154240260	1.7 /CY						21.4								7276 CY		12969	
	Seeding	Hydro Spreader (Equip. & labor) B-81 80MS	Reveg002	19.13 /MSF						21.4								892.18 MSF		17833	
	Seeding Material	Seed	Banning07341	504.22 \$/AC						21.4								21.4 AC		10790	
	Hydromulch	Hy 1" material only 028105000250	Reveg001	69 \$/AC						21.4								21.4 AC		1455	
	Fertilizer	Fertilizer Hydro Spread	M029351000180	3.8 /MSF						21.4								892.18 MSF		3542	
	Seedlings (300 per AC)	Bare root seedlings, 11" to 16" med. soil	02815 400 0562	1.28 /Ea											0	EA		0 EA		0	
	<b>Subtotal</b>																				65992
	Reseeding																				
	25% reseeding rate																				11497
	<b>Subtotal</b>																				11497
	<b>Total</b>																				77489