



State of Utah
DEPARTMENT OF NATURAL RESOURCES
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Technical Analysis and Findings

Utah Coal Regulatory Program

August 9, 2016

PID: C0070034
TaskID: 5244
Mine Name: BANNING SIDING LOADOUT
Title: MIDTERM COMPLETION RESPONSE

Environmental Resource Information

Vegetation Resource Information

Analysis:

The MRP meets R645-301-322.100, 322.230, and 333.300 requirements. Although state sensitive species have not been surveyed in the area, the loadout is indefinitely idled under temporary cessation. The MRP commits to conducting appropriate surveys should the site be reactivated to ensure protection measures for any threatened, endangered, or state sensitive species that could be impacted from operations.

The Division consulted with DWR on sensitive species known to occur in the area and The Banning Loadout is not within a Sage-grouse Management Area and therefore, consultation with UDWR and PLPCO is not required for this review.

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Reclamation Plan

Bonding and Insurance General

Analysis:

The midterm review of the MRP meets the State of Utah R645 requirements for Bonding and Insurance Requirements.

The midterm review of the MRP meets the minimum requirement of R645-301-800 as the applicant is current on the bond and insurance standings.

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Bonding Form of Bond

Analysis:

The midterm review of the MRP meets the State of Utah 645 requirements for Form of Bond.

The midterm review of the MRP meets the minimum requirements of R645-301-860.100 as the applicant current maintains a surety bond amount of \$ 350,000.00, which is held by Lexon Insurance Company and Ironshore Indemnity Ins.

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Bonding Determination of Amount

Analysis:

The midterm review of the MRP meets the State of Utah R645 requirements for Determination of the Bond Amount.

The Division requires and evaluation of the reclamation cost estimate during each midterm permit review. The Permittees corrected the bond reclamation cost estimates to current midterm year dollars and escalated five years to the point of the next midterm review. In accordance with the requirements of R645-303- 211, R645-301- 830 and -301- 830.140 it is the Permittees responsibility to provide detailed estimates cost sheets to support the reclamation cost estimate. The Permittee must include clean copies showing the three categories re-calculated in this new estimate, and their sub-totals are as follows:

Facility Demolition and Removal.....	\$67,227.00
Disturbance Backfill and Grading.....	\$59,887.00
Re-vegetation of Disturbed Areas.....	\$76,868.00
Indirect Costs have been calculated to Total....	\$258,650.00
Total Reclamation Cost in 2016 Dollars.....	\$203,982.00
Total Minimum Bond Required in 2021 Dollars.....	\$267,830.00

The new escalated bond total reclamation cost for the 2016 midterm review is \$267,830.00 (sum of the direct and indirect costs) escalated from 2016 to 2021 (5 years) using an escalation factor of 0.007%.

Current bonding held with the Division is \$350,000.00; Permittee has adequate bonding in place to cover escalation cost until the 2021 midterm review (82,000.00 or 23.43).

Per task 5188 request Permittee has submitted three quotes in 2016 dollars for contracted work.

The conveyor structure, tanks/bins and substations sheet have been removed from total demolition cost as they are no long at the site, see photo from site inspection number 5480 conducted on March 31, 2016. The substation was removed from the permit area in the last permit transfer in fourth quarter 2014, Task 4440. The conveyor structure and tanks we removed from the site in the same time frame. All concrete foundations associated with the conveyor or tanks are accounted for in the concrete tab. Photos attached to Inspection report 5480 show that all steel structures associated with the conveyor and tanks have been fully removed. The Division utilized the 2014 midterm as point to remove the zeroed sheets after this verification

and documentation of structure removal. Additionally, the multi-plate arches sheet has been renamed to Tunnel and Grizzly.

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Bonding Terms and Conditions Liability Insurance

Analysis:

The midterm review of the MRO meets the State of Utah R645 requirements for Terms and Conditions for the Liability Insurance.

The midterm review of the MRP meets the minimum requirements of R645-301-850 as the applicant currently holds insurance through Canyon Fuel Company, LLC, effective until 2/1/2017.

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