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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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over his Mine file

December 22, 1992

TO: Pamela Grubaugh-Littig, Permit Supervisor

FROM: Jess Kelley, Reclamation Engineer

RE: Approval of Reclamation Cost Estimate, Sunnyside Cogeneration Associates, Sunnyside Coarse Refuse and Slurry, PRO/007/035, Folder #2, Carbon County, Utah

SYNOPSIS

The applicant submitted the complete Permit Application Package (PAP) for Division approval on December 3, 1992. This writer, with the help of Division Senior Reclamation Specialist Randy Harden, reviewed the reclamation cost estimate portion of the PAP and found it to be too low. Randy Wahlen of the engineering firm of Eckhoff, Watson and Praetor (EWP) then revised the reclamation cost estimate, incorporating into it the writer's suggestions, and resubmitted it to the Division on December 22, 1992. This memorandum is a review and approval of the December 22 submittal.

ANALYSIS

The reclamation cost estimate which was submitted on December 3 had three deficiencies. First, it did not provide for adequate cover for areas where coal mine waste has been deposited. Second, it did not include the 10% contingency cost which the Division requires, as a matter of course, of all reclamation cost estimates. Third, it was not escalated over the 5 years of the anticipated permit term.

The December 22 submittal corrects the three deficiencies listed above. It provides for the movement of approximately 669,000 cubic yards of fill material, while the December 3 submittal provided for the movement of only 520,000 cubic yards. It includes the required 10% contingency cost. It also escalates the final cost estimate over the anticipated

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5-year permit term by 1.27% per year, which is the Means escalation factor for 1992 and which is used routinely by the Division in reclamation cost calculations. The final reclamation cost estimate in the December 22 submittal comes out to be \$1,436,673, which is \$376,125 greater than the estimate of \$1,060,548 calculated in the December 3 submittal.

The writer has reviewed the volume estimates used in the reclamation cost estimate. He has also examined the maps and plans from which the volume estimates were made. The writer finds that the applicant's calculation methodologies are sound, that the maps and plans accurately represent the configuration of this site, and that the volume and cost estimates are accurate for the proposed reclamation scenario.

RECOMMENDATIONS

It is recommended 1) that the reclamation cost estimate from the December 22, 1992 submittal be approved, and 2) that the applicant obtain a reclamation bond for at least the amount of \$1,436,673 calculated in that submittal.

cc: Lowell Braxton, DOGM
Randy Harden, DOGM