

Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

September 12, 2005

Pamela Grubaugh-Littig
Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City UT 84114-5801

J. Blakely
a/007/0035

RE: SCA Sunnyside Refuse & Slurry, C/007/035
Chapter Eight - Bond Calculations Segments

Dear Pam:

We have prepared this submittal in response to the discussions regarding bond cost calculations we have had with Wayne Western over the past several weeks.

Two of the calculation segments that we have been discussing are associated with placement of riprap lining on drainage channels and associated with the demolition and removal of the crusher equipment during reclamation.

In reviewing bond estimates with Wayne, he has asked that we submit suggested unit price calculations and explanations. We have prepared these two calculation segments for that purpose. Please review these calculations and use them in preparation of the Divisions determination of bond amount.

Since this amendment is necessary for Wayne to continue making progress on the updated bond estimate, we appreciate your efforts to expedite this amendment processing.

Should you have any questions, please contact Rusty Netz or myself at (435) 888-4476.

Thank You,

Michael J. Blakey
Agent For
Sunnyside Cogeneration Associates

Cc: Rusty Netz, SCA
Plant File

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SEP 15 2005

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Sunnyside Cogeneration Associates

Mine: Sunnyside Refuse and Slurry

Permit Number: C/007/035

Title: Rip Rap and Crusher Demolition Bond Costs

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

Provide bond cost breakdown for placement of RipRap and for demolition and disposal of the Crusher Facilities

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: _____ Disturbed Area: _____ 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.

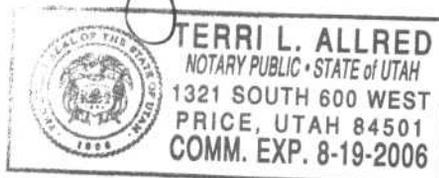
Michael Blakey
Print Name

T.L. Allred Plant Manager 9/13/05
Sign Name, Position, Date

Subscribed and sworn to before me this 13 day of September, 2005

T.L. Allred
Notary Public

My commission Expires: 08-19, 2006;
Attest: State of UTAH } ss:
County of CARBON



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining

Crusher Demolition and Removal

SCA Sunnyside has a crushing facility that would need to be disassembled and disposed of during a reclamation process. This facility generally consists of various equipment pieces assembled mostly of approximately 100 tons of structural steel components and setting on concrete pads estimated at 50 cuyd. Our estimates for the reclamation costs are based on several different sources and calculations as follows.

Structural Steel disassemble and disposal –

It has been difficult to find standard cost estimates for disassembly of structural steel since each structure is different in its nature. We suggest that for the quantity we are dealing with, an estimated cost of \$15.00 per ton be used for the disassembly cost.

One of the challenges we have discussed together is the conversion from tons of structural steel to cubic yards in the capacity of certain equipment that is being used in the estimated cost calculations.

We suggest that the 12 yd truck could carry 6 tons of disassembled steel per load without loosing it on the road and thereby have a 50% efficiency ratio in comparison with the cost per yard used by Means.

We also suggest that the 3yd front end loader could move 1 ton of disassembled steel per load without loosing it in the process. This would therefore produce a 33% efficiency and a 3x cost when compared to cubic yards.

Loading Cost – Front end loader 3yd bucket
Means 02315 400 1300 \$1.35/yd

Transportation Cost – 12 cy (16 ton) dump truck ½ mi rnd trip
Means 02320 200 0320 \$3.23/yd
However since the local disposal site is probably more like 6 miles rnd trip we estimate \$8/yd

Disposal – City Services \$4/yd

100 Tons of structural steel
Disassemble - \$15/ton * 100 tons = \$1500
Loading – 3 * \$1.35 *100 tons = \$405
Transport – 2 * \$8.00*100 tons = \$1600
Disposal - \$4.00 *100 tons = \$400
Total \$3,905

Concrete Pad Demolition and Disposal

Demolition and onsite disposal of the concrete pads is somewhat more standard in its cost estimating. We have estimated as follow:

Concrete Demolition (DOGM cost model)	\$10.06/cuyd
Loading Cost – Front end loader 3yd bucket Means 02315 400 1300	\$1.35/cuyd
Transportation Cost – 12 cy (16 ton) dump truck ½ mi rnd trip Means 02320 200 0320	\$3.23/cuyd
Disposal costs – onsite disposal Means 02220 875 5550	\$7.20/cuyd
Total	\$21.84/cuyd

Concrete Demolition and disposal 50 Cubic yards * \$21.84 = \$1092

Drainage Channel Reconstruction

The costs of placing riprap in major and minor drainage channels during reclamation at the SCA Sunnyside facilities is calculated based on equipment production rates from the Caterpillar Handbook, Equipment rental and operation costs from the Bluebook Rental Rate Guide. Riprap material costs are based on Means rates. Equipment operator wage rates are the same as the other earthwork costs are calculated.

Cat Handbook

Track Excavator 325 CL
2 yard bucket
Cycle time 0.4 minutes
Riprap Placement efficiency 60%
Riprap production rate 180 yds/hour

Bluebook Rental Rate Guide

Monthly operating costs (176hr/mo) \$9780 (\$55.57/hr ave)
Hourly operating costs \$41.75
Equipment Overhead 10%
Operator's Hourly Wage Rate \$52
Total Hourly Cost \$159.05/hr

Riprap Material Costs from Means

02370 450 0100 \$25 / LCY plus 10% O&P = \$27.50

Total costs are therefore calculated as follows:

Major Channels –

Equip and Labor Costs (2992 cuyd) / (180 cuyd/hr) * (\$159.05 /hr) = \$2644
Material Costs (2992 cuyd) * (\$27.50/cuyd) = \$82280
Total \$84924

Minor Channels –

Equip and Labor Costs (1375 cuyd) / (180 cuyd/hr) * (\$159.05 /hr) = \$1215
Material Costs (1375 cuyd) * (\$27.50/cuyd) = \$37813
Total \$39028

Cycle Time Estimating Chart

MODEL	E70B	E110B	E120B	E140	320	E240C	325	330	E450	E650	
Bucket Size L JIS (yd ³) SAE	250 (3/8)	400 (5/8)	450 (5/8)	550 (3/4)	700 (1-1/8)	900 (1-3/8)	1000 (1-3/8)	1200 (1-3/4)	1700 (2-1/2)	2600 (3.4)	Liters (cubic yards)
Soil Type	← Packed Earth →					← Hard Clay →					
Digging Depth m ft	1.5 (5)	1.5 (5)	1.8 (6)	1.8 (6)	2.3 (8)	3.2 (10)	3.2 (10)	3.4 (11)	4.2 (14)	5.2 (17)	m ft
Load Bucket	0.08	0.07	0.07	0.09	0.09	0.09	0.09	0.09	0.11	0.11	min
Swing Loaded	0.05	0.06	0.06	0.06	0.06	0.07	0.06	0.07	0.09	0.10	min
Dump Bucket	0.03	0.03	0.03	0.03	0.03	0.05	0.04	0.04	0.07	0.08	min
Swing Empty	0.06	0.05	0.06	0.05	0.05	0.06	0.06	0.07	0.07	0.08	min
Total Cycle Time	0.22	0.21	0.21	0.23	0.23	0.27	0.25	0.27	0.34	0.37	min

CYCLE TIME ESTIMATING CHART											
CYCLE TIME	MACHINE SIZE CLASS										CYCLE TIME
	E70B	E110B	E120B	E140	320	E240C	325	330	E450	E650	
10 SEC.											.17 min.
15											.25 min.
20 SEC.											.33 min.
25											.42 min.
30 SEC.											.50 min.
35											.58 min.
40 SEC.											.67 min.
45											.75 min.
50 SEC.											.83 min.
55											.92 min.
60 SEC.											1.0 min.

Cubic Meters per 60 Minute Hour*

ESTIMATED CYCLE TIMES		ESTIMATED BUCKET PAYLOAD** — LOOSE CUBIC METERS																	ESTIMATED CYCLE TIMES			
Cycle Time																			Cycles Per Min.	Cycles Per Hr.		
Seconds	Minutes	.2	.3	.5	.7	.9	1.1	1.3	1.5	1.7	1.9	2.1	2.3	2.5	2.7	2.9	3.1	3.3			3.5	
10.0	.17																				6.0	360
11.0	.18																				5.5	330
12.0	.20	60	90	150	210	270															5.0	300
13.3	.22	54	81	135	189	243	297	351	405	459	513	567	621	675	729	783	837	891	945	4.5	270	
15.0	.25	48	72	120	168	216	264	312	360	408	456	504	552	600	648	696	744	792	840	4.0	240	
17.1	.29	42	63	105	147	189	231	273	315	357	399	441	483	525	567	609	651	693	735	3.5	210	
20.0	.33	36	54	90	126	162	198	234	270	306	342	378	414	450	486	522	558	594	630	3.0	180	
24.0	.40	30	45	75	105	135	165	195	225	255	285	315	345	375	405	435	465	495	525	2.5	150	
30.0	.50	24	36	60	84	108	132	156	180	204	228	252	276	300	324	348	372	396	420	2.0	120	
35.0	.58	20	31	51	71	92	112	133	153	173	194	214	235	255	275	296	316	337	357	1.7	102	
40.0	.67					81	99	117	135	153	171	189	207	225	243	261	279	297	315	1.5	90	
45.0	.75									133	148	164	179	196	211	228	242	257	273	1.3	78	
50.0	0.83																			1.2	72	

4

Cubic Yards per 60 Minute Hour*

ESTIMATED CYCLE TIMES		ESTIMATED BUCKET PAYLOAD** — LOOSE CUBIC YARDS																	ESTIMATED CYCLE TIMES			
Cycle Time																			Cycles Per Min.	Cycles Per Hr.		
Seconds	Minutes	0.25	0.50	0.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.50			5.00	
10.0	.17																				6.0	360
11.0	.18																				5.5	330
12.0	.20	75	150	225	300	375															5.0	300
13.3	.22	67	135	202	270	337	404	472	540	607	675	742	810	877	945	1012	1080	1148	1215	4.5	270	
15.0	.25	60	120	180	240	300	360	420	480	540	600	660	720	780	840	900	960	1020	1080	4.0	240	
17.1	.29	52	105	157	210	262	315	367	420	472	525	577	630	682	735	787	840	893	945	3.5	210	
20.0	.33	45	90	135	180	225	270	315	360	405	450	495	540	585	630	675	720	765	810	3.0	180	
24.0	.40	37	75	112	150	187	225	262	300	337	375	412	450	487	525	562	600	637	675	2.5	150	
30.0	.50	30	60	90	120	150	180	210	240	270	300	330	360	390	420	450	480	510	540	2.0	120	
35.0	.58	26	51	77	102	128	154	180	205	231	256	282	308	333	360	385	410	435	460	1.7	102	
40.0	.67					112	135	157	180	202	225	247	270	292	315	337	360	382	405	1.5	90	
45.0	.75									180	200	220	240	260	280	300	320	340	360	1.3	78	
50.0	.83																			1.2	72	

Job Efficiency Estimator

Work Time/Hour	Efficiency
60 Min	100%
55	91%
50	83%
45	75%
40	67%

*Actual hourly production = (60 min. hr. production) x (Job Efficiency Factor)
 **Estimated Bucket Payload = (Amount of Material in the Bucket)
 = (Heaped Bucket Capacity) x (Bucket Fill Factor)
 Unshaded area indicates average production.

02300 | Earthwork

02340 | Soil Stabilization

2005

2 SITE CONSTRUCTION

ITEM NO.	DESCRIPTION	CREW	DAILY OUTPUT	LABOR HOURS	UNIT	2005 BIME COSTS			TOTAL	TOTAL INC. O/P
						MAT.	LABOR	EQUIP.		
100 0240	3 gal/S.Y.	B-75	3,000	.019	S.Y.	6.75	.59	1.10	7.44	8.45
0300	8" deep, 2-2/3 gal/S.Y.		2,800	.020		5.15	.63	1.17	6.95	7.90
0340	4 gal/S.Y.		2,800	.020		7.70	.63	1.17	9.50	10.70
0540	6 gal/S.Y.		2,600	.022		11.50	.68	1.26	13.44	15.10
200 0010	CEMENT SOIL STABILIZATION including scarifying and compaction									
1020	Cement, 4% mix, by volume, 6" deep	B-74	1,100	.058	S.Y.	.98	1.81	3.28	6.07	7.46
1030	8" deep		1,050	.061		1.28	1.90	3.44	6.62	8.08
1060	12" deep		960	.067		1.91	2.08	3.76	7.75	9.40
1100	6% mix, 6" deep		1,100	.058		1.40	1.81	3.28	6.49	7.90
1120	8" deep		1,050	.061		1.83	1.90	3.44	7.17	8.70
1160	12" deep		960	.067		2.76	2.08	3.76	8.60	10.35
1200	9% mix, 6" deep		1,100	.058		2.13	1.81	3.28	7.22	8.70
1220	8" deep		1,050	.061		2.76	1.90	3.44	8.10	9.70
1260	12" deep		960	.067		4.17	2.08	3.76	10.01	11.85
1300	12% mix, 6" deep		1,100	.058		2.76	1.81	3.28	7.85	9.40
1320	8" deep		1,050	.061		3.70	1.90	3.44	9.04	10.75
1360	12" deep		960	.067		5.55	2.08	3.76	11.39	13.40
300 0010	GEOTEXTILE SOIL STABILIZATION									
1500	Geotextile fabric, woven, 200 lb. tensile strength	2 Club	2,500	.006	S.Y.	1.92	.17		2.09	2.38
1510	Heavy Duty, 600 lb. tensile strength		2,400	.007		1.71	.18		1.89	2.16
1550	Non-woven, 120 lb. tensile strength		2,500	.006		.97	.17		1.14	1.34
500 0010	LIME SOIL STABILIZATION including scarifying and compaction									
2020	Hydrated lime, for base, 2% mix by weight, 6" deep	B-74	1,800	.036	S.Y.	2.40	1.11	2	5.51	6.50
2030	8" deep		1,700	.038		3.20	1.17	2.12	6.49	7.65
2060	12" deep		1,550	.041		2.54	1.29	2.33	6.16	7.30
2100	4% mix, 6" deep		1,800	.036		2.68	1.11	2	5.69	6.70
2120	8" deep		1,700	.038		3.48	1.17	2.12	6.77	7.95
2160	12" deep		1,550	.041		5.20	1.29	2.33	8.82	10.25
2200	6% mix, 6" deep		1,800	.036		3.91	1.11	2	7.02	8.20
2220	8" deep		1,700	.038		5.20	1.17	2.12	8.49	9.85
2260	12" deep		1,550	.041		7.75	1.29	2.33	11.37	13.05
700 0010	CALCIUM CHLORIDE									
0020	Calcium chloride delivered, 100 LB bags, truckload lots				Ton	460			460	505
0030	Solution, 4 lb. flake per gallon, tank truck delivery				Gal.	.98			.98	1.08
	02360 Soil Treatment									
200 0010	TERMITE PRETREATMENT									
0020	Slab and walls, residential	1 Slab	1,200	.007	SF Ft.	.28	.23		.51	.67
0100	Commercial, minimum		2,496	.003		.30	.11		.41	.50
0200	Maximum		1,645	.005		.45	.17		.62	.76
0400	Insecticides for termite control, minimum		14.20	.563	Gal.	11.60	19.65		31.25	43.50
0500	Maximum		11	.727		19.86	25.50		45.35	61.50
3000	Soil poisoning (sterilization)	1 Club	4,496	.002	S.F.	.26	.05		.31	.36
3100	Herbicide application from truck	B-69	19,000	.001	S.Y.		.01	.02	.03	.04
	02370 Erosion & Sedimentation Control									
450 0010	RIE-RAP & ROCK LINING , Random, broken stone									
0100	Machine placed for slope protection	B-12G	62	.258	L.C.Y.	25	8.10	8.75	41.85	49.50
0110	3/8 to 1/4 C.Y. pieces, grouted	B-13	80	.700	S.Y.	36.50	20	7.70	64.20	79.50
0200	18" minimum thickness, not grouted		53	1.057		15.55	30.50	11.65	57.70	77
0300	Dumped, 50 lb. average	B-11A	800	.020	Ton	17.90	.61	1.15	19.66	22
0350	100 lb. average		700	.023		25.50	.70	1.31	27.51	30.50
0370	300 lb. average		600	.027		30	.82	1.53	32.35	36
0400	Gabions, galvanized steel mesh mats or boxes, stone filled, 6" deep	B-13	200	.280	S.Y.	16.90	8.05	3.08	28.03	34.50