

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

November 25, 2003

TO: Internal File

THRU: Dana Dean, Team Lead

FROM: Wayne H. Western, Environmental Scientist III, Bonding

RE: 2003 Midterm Review, Plateau Mining Company, Willow Creek Mine, C/007/0038, Task ID #1751

SUMMARY:

As part of the midterm review, the Division reviews the reclamation cost estimate each mine. The Willow Creek Mine is being reclaimed and the Permittee has done a significant amount of demolition. The current bond amount is \$7,866,000 in 2004 dollars. The current reclamation estimate is \$7,512,000 in 2004 dollars.

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

As part of the midterm review, the Division examines the reclamation cost estimate and compares it to the bond amount. The current bond amount is \$7,866,000 in 2004 dollars. The current reclamation estimate is \$7,512,000 in 2004 dollars. Therefore, the bond amount is sufficient to insure reclamation.

The Permittee is reclaiming the site. Most of the reclamation work involves demolition. This reduces the amount that the Division would have to spend to reclaim the site in the event of forfeiture.

The Division is now escalating bonds from midterm to midterm. Because the site is being reclaimed, the Division will not escalate the bond until the permit renewal. No action is needed at this time.

Findings:

The Permittee has met the minimum requirements of the regulations.

RECOMMENDATIONS:

No action should be taken regarding the bond at this time.