

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

December 19, 2003

TO: Internal File

THRU: Dana Dean, Team Lead

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

RE: Industrial Post Mining Land Use Change, Plateau Mining Corporation, Willow Creek Mine , Permit #0007/0038, Task ID #1771

SUMMARY:

On September 12, 2003, the Division received an amendment for Plateau Mining Corporation for an alternative postmining land use change for the Willow Creek Mine. The Permittee as part of the submittal the included bond calculations that are based on the assumption that the alternative postmining land use change was implemented. The Division reviewed the bond information. The Division can only adjust the bond when the alternative postmining land use change has been implemented.

The first submittal was found to be deficient. The Permittee later submitted a revised amendment. The bonding information did not change.

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TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Determination of Bond Amount

The Division is required to bond for the worst-case scenerio. That scenerio for the Willow Creek mine would be that the alternative postmining land use change cannot be implemented. In that case, the Permittee must reclaim according to the original reclamation plan. The Division uses the worst case scenerio because there is no guarantee that the postmining land use could be implemented during bond forfeiture. Therefore, the bond amount will not change at this time.

The Permittee's reclamation cost estimate does not use the indirect cost methods as outlined in the Division's technical directive. The Division will use the methods outlined in the technical directive when they calculate the bond amount.

Since the Division calculates the bond amount and the Division has enough information to calculate the bond for the worst-case scenerio, all information to the bond is considered adequate. If the alternative postmining land use change is implemented the Division will modify the reclamation cost estimate based on the alternative reclamation plan.

Terms and Conditions for Liability Insurance

Findings:

The information submitted in the amendment is considered adequate to meet the minimum requirements of this section of the regulations. Since the Division must base the reclamation cost estimate on the worst case scenerio the reclamation cost estimate based on implementation of the alternative postmining land use change will not be incorporated into the Division's reclamation cost estimate. If the alternative postmining land use change is implemented the Division will make changes at that time.

RECOMMENDATIONS:

The Division should inform the Permittee that the bond cannot be adjusted until the postmining industrial land use change has been implemented. When the postmining land use change has been implemented, the Division will review the bond at that time.