



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

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July 10, 2002

TO: Internal Files

FROM: Stephen J. Demczak, Sr. Reclamation Specialist/Engineering, Team Lead *sgp by an*

RE: Revised Surface Facilities, Canyon Fuel Company, LLC., Dugout Canyon Mine, C/007/039-02H

SUMMARY:

Canyon Fuel Company has submitted an amendment to construct two additional buildings at the Dugout Mine. These structures are a sampling building and a storage building. The permittee has submitted new bond calculations, surface facilities map, and text changes.

These additions will be in the existing disturbed area. All topsoil and vegetation have been removed from these areas.

TECHNICAL ANALYSIS:

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

Facilities and Structures

The permittee has submitted an amendment to add two buildings to the disturbed area at the Dugout Mine. The two buildings are the Coal Sampler Building and a storage building.

TECHNICAL MEMO

The Coal Sampler Building will consist of a metal structure on skids and is placed on a concrete pad. The concrete pad will have to be constructed.

The Storage Building will be a metal structure and be placed on a concrete pad. This pad will also have to be constructed.

Findings:

The permittee has met the minimum requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining facilities maps

The permittee has submitted Plate 5-2 (Surface Facilities Map) to reflect the proposed changes. This map is P.E. certified by David Spillman badge #151610.

Findings:

The permittee has the minimum requirements of this section.

RECLAMATION PLAN

APPROXIMATE ORIGINAL CONTOUR RESTORATION

Regulatory Reference: 30 CFR Sec. 784.15, 785.16, 817.102, 817.107, 817.133; R645-301-234, -301-270, -301-271, -301-412, -301-413, -301-512, -301-531, -301-533, -301-553, -301-536, -301-542, -301-731, -301-732, -301-733, -301-764.

Analysis:

The construction of the two buildings will have no impact to returning this area to the approximate original contour. There will be no major foundation to the buildings. The building will on a concrete pad. The pads will consist of a total of less than 60 cubic yards.

Findings:

The permittee has met the minimum requirements of this section.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The construction of the two buildings will have no impact to the regrading of the area.

Findings:

The permittee has met the minimum requirements of this section.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Determination of bond amount

The Dugout Mine surety bond for reclamation is \$3,682,000. The Division has just completed a review of the bond and has determined the required amount needed to reclaim the Dugout property is \$2,311,000. Therefore, the Dugout Mine is over bonded. The cost of reclaiming the two buildings is \$3,654. No additional bond will be required for the construction of these buildings.

Findings:

The permittee has the minimum requirements of this section.

RECOMMENDATIONS:

The permittee has met the minimum requirements of the R645 Coal Rules; therefore, this amendment is recommended for approval.