

# TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

August 23, 2005

TO: Internal File

THRU: Peter H. Hess, Environmental Scientist III/Engineering, Team Lead

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

RE: Methane Degasification Wells G-8, G-9, and G-10, Canyon Fuel Company, LLC., Dugout Canyon Mine, C/007/0039, Task ID #2280

## **SUMMARY:**

The submittal Task ID #2280 is for the addition of degasification wells G-8, G-9, and G-10. This memo covers bonding.

## **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 estimate to reclaim one degas well is \$15,000, so the additional cost to bond for DG8, DG9, and DG10 is \$45,000. The Permittee has a reserve amount to cover additional bonds. The additional amount is \$55,000.

**TECHNICAL MEMO**

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The Permittee posted a bond of \$2,400,000.00 that includes the reserve fund. The Division reviewed the reclamation cost estimate and determined that the bond amount is adequate.

**Findings:**

The Permittee met the minimum requirements for this section of the regulations.

**RECOMMENDATIONS:**

The Division should approve this amendment.