

# TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

June 21, 2006

TO: Internal File

THRU: Wayne Hedberg, Permit Supervisor, Task Manager  
Peter H. Hess, Environmental Scientist/Engineering, Team Lead

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

RE: Degasification Wells G-13 thru and G-17, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/039, Task ID #2456

## **SUMMARY:**

The Permittee submitted an application to permit degasification wells G-13 through G-17 on March 17, 2006. The Division has assigned Task ID #2456. This technical memo will address the bonding issues.

## **TECHNICAL ANALYSIS:**

## **RECLAMATION PLAN**

## **BONDING AND INSURANCE REQUIREMENTS**

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

## **Analysis:**

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**Determination of Bond Amount**

The Division determined the cost to reclaim the Dugout Mine in the event of bond forfeiture is \$2,940,000 in 2010 dollars. The current bond is for \$3,300,000. Therefore, the bond is adequate to insure that the Division can reclaim the area.

**Findings:**

The information in the proposed amendment is adequate to meet the requirements of the regulations covered in the bonding and insurance requirements.

**RECOMMENDATIONS:**

The Division should approve the amendment.