

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

August 4, 2006

TO: Internal File

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

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

RE: Revisions to Degas Wells – add Well G-19, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID #2812

SUMMARY:

The Permittee submitted an application revisions to the degas wells and the addition of well G-19 on June 18, 2007. 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.

TECHNICAL MEMO

Analysis:

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.