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State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
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Division of Oil, Gas and Mining
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Technical Analysis and Findings

Utah Coal Regulatory Program

April 13, 2016

PID: C0070039
TaskID: 5100
Mine Name: DUGOUT CANYON MINE
Title: MIDTERM COMPLETION RESPONSE

Environmental Resource Information

Fish and Wildlife Resource Information

Analysis:

Information provided in the application meets the requirements of R645-301-322. The information provided updates the Threatened and Endangered Species lists and addresses needs of Utah State Sensitive Species.

lreinhart

Operation Plan

Fish and Wildlife Protection and Enhancement Plan

Analysis:

The amendment meets the requirements of R645-301-333 as it provides a description of how mining operations will not impact any Threatened or Endangered Species and State Sensitive Species.

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Hydrologic Ground Water Monitoring

Analysis:

The amendment meets the State of Utah R645 requirements for Hydrologic Ground Water Monitoring.

Page 7-14 of the MRP was revised to give a summary of monitoring activities and findings of monitoring with well GW-11-4. Page 7-44 removes the well from the current monitoring plan, and Plate 7-1 was updated to reflect the removal of this well from the monitoring plan. The previous deficiency under task ID 5029 was addressed.

adaniels

Reclamation Plan

Bonding Determination of Amount

Analysis:

The midterm review of the MRP conditionally meets the State of Utah R645 requirements for Determination of Bond Amount.
The Division requires an evaluation of the reclamation cost estimate during each midterm permit review. The Permittee corrected the bond reclamation cost estimate to current midterm year dollars and escalated five years to the point of the next midterm review. In accordance with the requirements of R645-303-211, R645-301-830, and -301-830.140, it is the Permittees responsibility to provide detailed estimated cost sheets to support the reclamation cost estimate. The amendment included one remaining error within in the Demolition Cost for Magnet No 27 for Disposal Cost Non Steel. The Permittee submitted the unit cost as $65.90, consequently the subtotaled the cost of $990.00 is also incorrect. The 2015 R.S. Means has this unit cost at $74.00, bringing the subtotal to $3,448.00 for Magnet No 27. Permittee submission is conditionally approved provided the clean copies include the unit cost correction to Magnet No 27 and subsequent Demolition total sheets.
The Permittee must include clean copies showing the three categories re-calculated in this new estimate, and their sub-totals are as follows:
Facility Demolition and Removal……..$690,650
Disturbance Backfilling and Grading…….$1,049,995
Re-vegetation of Disturbed Areas……..$ 440,478
Indirect Costs have been calculated to Total……$ 584,541
Total Reclamation Cost in 2015 Dollars ……. $ 2,765,663
Total Minimum Bond Required in 2020 Dollars……. $2,936,000

The new escalated bond total reclamation cost for the 2015 midterm review is $2,936,000.00(sum of the direct and indirect costs) escalated from 2015 to 2020 (5 years) using an escalation factor of 1.2 %.
Current bonding held with the Division is $3,550,000.00; Permittee has adequate bonding in place to cover escalation cost until the 2020 midterm review ($614,000 or 17.3%).

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