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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

October 31, 2007

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TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor 

FROM: Wayne H. Western, Team Lead 

RE: Midterm Review, Andalex Resources, Inc., West Ridge Mine, C/007/0041, Task ID #2692

SUMMARY:

The mid-term review for the West Ridge Mine was initiated on November 13, 2006. This review deals specifically with the reclamation cost estimate.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Determination of Bond Amount

The Division determined that the amount of bond posted is adequate to ensure reclamation in the event of bond forfeiture.

The reclamation cost estimates in the MRP are out of date and need to be replaced by the Division's reclamation costs estimates that were done in 2007. The Division will give the Permittee a copy of the reclamation bond estimate in either electronic or hard copy.

Terms and Conditions for Liability Insurance

Findings:

The information in the proposed amendment is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-830.110, The Permittee must include a copy of the Division's reclamation cost estimate in the mining and reclamation plan. The Division requires that information be in the MRP so that the Permittee and public can have ready access to the reclamation cost estimates. The Division will provide the Permittee with a copy of the reclamation cost estimate upon request in either electronic or hard copy.

RECOMMENDATIONS:

The Division should require the Permittee to remedy the above mentioned deficiencies.