

COPY

*007/041 Incoming
#3540*

R



P.O. Box 910, East Carbon, Utah 84520
Telephone (435) 888-4000 Fax (435) 888-4002

Utah Division of Oil, Gas & Mining
Utah Coal Program
1594 West North Temple, Suite 1210
P.O.Box 145801
Salt Lake City, UT 84114-5801

April 29, 2010

Attn: Daron Haddock
Permit Supervisor

Re: West Ridge Mine C/007/041
Permit Change to Include Storage Shed
Response to Cessation Order 10051

Dear Mr. Haddock:

Enclosed are six (6 ea.) copies of an amendment to the West Ridge MRP to include a storage shed. This submittal is a response to Cessation Order 10051. This change to the MRP involves only a single replacement page in Chapter 5. Also included is a set of revised pages from the bonding calculations spreadsheet. These bonding revisions were made in consultation with Pete Hess.

The additional bonding calculations for the shed are as follows:

- 1) Steel demolition $\$0.31/\text{CF} \times 40' \times 60' \times 20' = \underline{\$14,888}$
- 2) Steel disposal $\$4/\text{CY} \times 586 \text{ cu. yd. (0.33 swell)} = \underline{\$2,344}$
- 3) Concrete demolition
 - concrete footers: 10 ea x 0.35 yd/footer = 3.5 cu yd
 - concrete floor 60' x 40' x 4" thick = 29.6 cu yd
 - Total concrete = 33.1 cu yd
- Demolition $\$9.92/\text{CY} \times 33.1 \text{ cu yd} = \underline{\$328}$
- 4) Concrete disposal on site $\$13.54 \text{ CY} \times 33.1 \text{ cu yd} = \underline{\$448}$

TOTAL DEMOLITION COST = \$18,008

File in:

- Confidential
- Shelf
- Expandable

Date Folder *05032010 C/0070041*

See *Incoming* For additional information

RECEIVED

MAY 03 2010

DIV. OF OIL, GAS & MINING

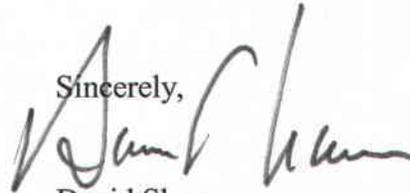
COPY

Daron Haddock
April 29, 2010
page 2

After adjusting for indirect costs and inflation, the total reclamation cost increases by \$26,728 to \$1,992,794. The current reclamation bond is posted at \$2,117,000. Therefore, the existing bond is sufficient to cover the increased reclamation liability attributed to the new storage shed.

If you have questions or comments please contact me at (435) 888-4017.

Sincerely,

A handwritten signature in black ink, appearing to read "David Shaver", written over the typed name.

David Shaver
Resident Agent

cc: Pete Hess

APPLICATION FOR PERMIT PROCESSING

<input type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: C/007/041
Title of Proposal: Change to include storage shed, Cessation Order 10051						Mine: WEST RIDGE MINE
						Permittee: WEST RIDGE Resources, Inc.

Description, include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	9. Is the application submitted as a result of a Violation?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations herein. (R645-301-123)

[Signature] 4/29/10
Signed - Name - Position - Date agent

Subscribed and sworn to before me this 29 day of April, 2010

[Signature]
Notary Public
My Commission Expires: 5-16-2012
Attest: STATE OF UTAH
COUNTY OF Carbon

} ss:



Received by Oil, Gas & Mining
RECEIVED
MAY 03 2010

DIV. OF OIL, GAS & MINING
ASSIGNED TRACKING NUMBER

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$352,937.00		+ \$18,008 = 370,945
Subtotal Backfilling and Grading	\$775,240.00		
Subtotal Revegetation	\$196,409.00		
Direct Costs	\$1,324,586.00		1,392,594

Indirect Costs

Mob/Demob	\$132,459.00	10.0%	134,259
Contingency	\$66,229.00	5.0%	67,130
Engineering Redesign	\$33,115.00	2.5%	33,565
Main Office Expense	\$90,072.00	6.8%	91,296
Project Mainagement Fee	\$33,115.00	2.5%	
Subtotal Indirect Costs	\$354,990.00	26.8%	359,815

Total Cost	\$1,679,576.00		1,702,409
------------	----------------	--	-----------

Escalation factor
Number of years
Escalation

0.032
5

Escalation	\$286,490.00		290,385
------------	--------------	--	---------

Reclamation Cost	\$1,966,066.00		1,992,794
------------------	----------------	--	-----------

Bond Amount (rounded to nearest \$1,000) 2011 Dollars	\$1,966,000.00		1,993,000
--	----------------	--	-----------

Bond Posted 2004	\$2,117,000.00		
------------------	----------------	--	--

Difference Between Cost Estimate and Bond Percent Difference	\$151,000.00 7.68%		\$124,000
---	-----------------------	--	-----------

Ref.	Task	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost		
		Shop Warehouse 01																			107001		
		Bathhouse 02																				23384	
		Administration Office 03																				19016	
		Powder Magazines 04																				486	
		Overhead Conveyor 05																				8058	
		Conveyor Berms 06																				1905	
		Drive Unit 07																				1865	
		Discharge Structure 08																				1000	
		Bent Angle Bracing 09																				3370	
		Reclaim Conveyor Stringers 10																				11442	
		Crusher Building 11																				13384	
		Reclaim Tunnel Headwall 12																				2333	
		Loadout Conveyor 13																				1340	
		Loadout Conveyor Bent 14																				167	
		Mine Fan 15																				3121	
		Ductwork Ailock 16																				6956	
		Motor Room 17																				1091	
		MCC 18																				959	
		Portals 19																				20800	
		Rock Dust Tanks 20																				4780	
		Oil Grease Storage 21																				1215	
		Dumpster Bay 22																				3336	
		Monitoring Well 23																				5000	
		Hilliker Wall 24																				17760	
		Guard Rail 25																				6939	
		Bypass Culvert 26																				21169	
		Culverts 27																				442	
		Water Tanks 28																				4138	
		Reclaim Vaults 29																				6146	
		Reclaim Tunnel Sump/Sphere 30																				3901	
		Riprap 38																				9713	
		Gas Vent Hole																				40760	
		Storage shed																					
		Total																				352937	

~~23384~~
\$18,008

370,945

d) Mine Portals

Mine portals will be located in the right fork on the southeast side of the canyon where the coal seam outcrops. Four portal openings will be constructed to provide surface access to the underground mine workings. Two portals will provide intake ventilation to the mine, one of which will serve as the primary accessway for employees and materials in and out of the mine. One portal will contain the main conveyor belt used to bring coal out of the mine. The fourth portal will accommodate the main mine fan. These portals will be spaced as close together as possible to minimize the length of highwall required for access to the underground workings.

e) Mine Fan

The mine fan will be located at the return air portal. It will be a 12' diameter, direct drive, 1,000 hp, axial vane exhausting type fan. The fan housing will include airlock travel doors for machinery and personnel. The exhaust ductwork will be quipped with acoustical sound-proofing material to keep noise levels at a minimum. An auxiliary blowing fan will be installed in the #3 intake portal.

f) Bathhouse/Lamphouse

The bathhouse building will be a pre-fabricated metal structure measuring approximately 40 feet wide by 120 feet long. It will be located in the central part of the mineyard in convenient proximity to the mine portals. An employee parking lot will be located nearby. The bathhouse will be sized to accommodate the anticipated workforce of about 130 employees. Located at one end of the bathhouse building will be the lamp house and the offices for the mine supervisory personnel. Four temporary locker units will also be installed, as well as several temporary laundry storage units, and an office trailer.

g) Shop/Warehouse

The shop/warehouse building will be a pre-fabricated metal structure measuring approximately 60 feet wide by 160 feet long. It will be located in the northern part of the mineyard conveniently adjacent to the mine portals. A storage area for materials and supplies will be located nearby, as will be the fuel storage, rock dust storage and garbage repository (dumpster) facilities. **A 40' x 60' enclosed storage shed will be constructed adjacent to the shop on the south end.**

h) Coal Stockpiling Facilities

Coal will be brought out of the mine and delivered to the surface via a 2,000 ton per hour, 60" wide mine conveyor belt. The mine conveyor will exit out of a portal located about 40' high on the east side of the right fork of C Canyon. Even though the mine portals are located in the right fork, the run of mine coal will be

WEST RIDGE MINE

007/041

CHANGE TO
THE MINING AND RECLAMATION PLAN

TO INCLUDE:

CONSTRUCTION OF STORAGE SHED

RESPONSE TO CESSATION ORDER 10051

SUBMITTED: APRIL 29, 2010

PLATE 5-5

SURFACE FACILITY MAP