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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

February 27, 2013

TO: Internal File

THRU: Ingrid Campbell, Lead *IC*

FROM: James Owen, Engineer *JO*

RE: Lease Modification, West Ridge Resources, West Ridge Mine, C/007/0041, Task ID #4256

SUMMARY:

On December 3, 2012, the Utah Division of Oil Gas & Mining (DOG M) received an application for an amendment to the Mining & Reclamation Plan (MRP) of the West Ridge Mine. The application seeks approval to add a newly approved lease modification area. After an initial review, deficiencies were identified. A response to the deficiencies was submitted on February 20, 2013.

This memo addresses the application's compliance with the engineering (R645-301-500) and bonding (R645-301-800) sections of the Utah Coal Mining Rules.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

OPERATION PLAN

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

The application requests to remove Plate 5-4B (Mining Projections – Extended Reserves) from the MRP. Due to the fact that updates to Plate 5-4A indicate that mining projections include no extended reserves and that the life of mine is less than 3 years, a map detailing extended reserves is no longer necessary.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

The operator has posted two reclamation sureties summing to the total required amount and provided evidence that the sureties will remain in full effect. One surety is issued by National Union Fire Insurance Company of Pittsburgh, PA in the amount of \$2,117,000 (Bond # 91-B-54926). The second surety is issued by Rockwood Casualty Insurance Company in the amount of \$67,000 (#ISB-2795). The total posted surety bond is \$2,184,000.

A letter was included with the application for proof that Specialty Insurance Company agreed to extend the coverage of the posted lease bond for the additional modified acreage. This is not a state-held bond.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules.

RECOMMENDATIONS:

Approval is recommended

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