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STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

ACT/015/009

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July 7, 1987

TO: John Whitehead, Permit Supervisor

FROM: James R. Fricke, Reclamation Hydrologist *JRF*  
Richard V. Smith, Geologist *RVS*

RE: Action Plan for Ground-Water Modeling of the Trail Mountain Regional Aquifer, Trail Mountain Coal Company, Folder #2, ACT/015/009, Emery County, Utah

The purpose of this memo is to provide a plan of action for the computer modeling of the Blackhawk-Star Point regional aquifer in the Trail Mountain area.

The regional aquifer has been previously modeled by the USGS in 1981. Gregory C. Lines was the author of Water Supply Paper 2259. This paper presented the assumptions and results of the model.

Our intention is to utilize the same model and input new data from the exploration drilling programs conducted since 1981. Accomplishment of the former tasks will require the following steps:

- A. Collect, organize and review existing reports and data.

Time: The majority of this step has been accomplished. However, at least 16 hours will be required to collect the pertinent data from USGS data files.

- B. Verify DOGM model version by using USGS data.

We will utilize data inputs and compare our computer results with Water Supply Paper 2259.

- C. Collect new data from boreholes that have been drilled since 1981.

This task will require field time to attain water level measurements from 3 exploration boreholes, 1 domestic water supply well, and 2 water monitoring wells (1 in-mine, 1 at portal area).

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- D. Input all data (new and existing) and run the model utilizing existing stresses (mine inflow, ventilation, evaporation).

The amount of time required for this step will be dependent upon problems that arise during any computer simulation.

- E. Compile results and present findings to DOGM, Trail Mountain Coal Company, and the public.

djh  
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## COAL BONDS

As of June 30, 1987

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating) 1986	Date Posted	Cost/Ac	Date Permit Issued
1983	Valley Camp of Utah, Inc. Bellina Mines ACT/007/001	79	\$1,521,000.00	Surety	Federal Insurance Co. #8099-56-50 (A+)	6/29/84		
			\$190,000.00	Surety	Federal Insurance Co. #8093-48-78 (A+)	4/5/83		
			\$16,000.00	Contract	Board of Oil, Gas & Mining	9/22/76	\$21,861.00	8/24/84
mid-1986	Blackhawk Coal Company Eastern Coal Reserves Price River Complex INA/007/002	134.5	\$2,585,609.00	Surety	Safeco Insurance Co. #4815289 (A+)	7/12/84 (original posted) \$91,550 (released 7/85 by DOGM) 8/13/85 (updated)	\$19,224	12/24/84
1987	Castle Gate Coal Co. Price River Complex ACT/007/004	134.5	\$2,683,603.00	Surety	National Fire Insurance Company of Hartford #929-80-55 (A+)	1/31/86	\$19,952	Request for Permit transfer
1979	Coastal States Energy Skyline ACT/007/005	75.8 with #2 vent shaft	\$1,850,500.00	Surety	Highlands Insurance Co. #965382 (A+)		\$24,413.00	6/20/80
1986	Plateau Mining Co. Starpoint ACT/007/006	221.65	\$3,407,322.00	Surety	Aetna Casualty & Surety Co. (A) 645100208576BCA (A)	11/26/85	\$15,373.00	1/27/82
1990	Kaiser Coal Corp. Sunnyside ACT/007/007	287.4	\$3,397,349.00	Self Bonding & Indemnity Agrmt.	Division of Oil, Gas and Mining and OSM	1/6/86 Filed Chap. 11 2/13/87	\$11,821.00	1/6/86

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating)	Date Posted	Cost/Ac	Date Permit Issued
1984	Sunedco Sage Point-Dugout ACT/007/009	No disturbance	(\$611,875.00 Released)	Surety (Released)	Federal Insurance Co. #8090-86-10 (A+) (Released)	12/8/80 (Revised 4/84)	Bond released (Permit 5/19/87 No disturb. 5/19/87)	Revoked)
1991	U. S. Fuel Co. Hiawatha Complex ACT/007/011	290	\$1,450,000.00 \$2,329,000.00	Surety Self Bonding & Indemnity Agrmt.	Insurance Company of North America K01733369 (A) DOM and OSM	4/15/83 12/16/86	\$ 8,031.00	3/13/87
1989	Kaiser Coal Corp. Wellington Prep. ACT/007/012	356	\$4,360,775.00	Self Bonding & Indemnity Agrmt.	Division of Oil, Gas and Mining	1/31/86 Filed Chap. 11 2/13/87 NOV-6/29/87	\$12,249.00	12/10/84
Interim (1989 dollars)	Kaiser Coal Corp. Geneva (Horse Canyon) ACT/007/013	50	\$918,649.00	Self Bonding & Indemnity Agrmt.	Division of Oil, Gas and Mining and OSM	11/4/85 Filed Chap. 11 2/13/87 2/13/87 NOV-6/29/87	\$18,373.00	Transferred 11/4/85
1989	Beaver Creek Coal Co. Gordon Creek #2 & #7 ACT/007/016	17.2	\$641,443.00 \$ 45,900.00	Surety Surety	Federal Insurance Co. #8100-39-72 (A+) #8082-93-00	11/28/84 11/22/77	\$37,293.00	8/27/84
1991	Beaver Creek Coal Co. Gordon Creek #3 & #5 INA/007/017	17.3	\$346,000.00 (\$337,967 calculated)	Surety	Federal Insurance Co. #8094-24-79 (A+)	12/26/85	\$20,000.00	
1989	Soilder Creek Coal Co. Soldier Canyon ACT/007/018	7	\$522,592.00	Surety	Federal Insurance Co. #8107-37-63 (A+)	8/15/85 Rider (Name change)	\$74,656.00	6/10/85 Transferred

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating)	Date Posted	Cost/Ac	Date Permit Issued
1986	Andalex Resources Centennial Project ACT/007/019	30.7	\$381,839.00	Surety	Utica Mutual Insurance Co. #34593 (A)	5/16/83	\$12,438.00	1/4/82
1986	North American Equities Blazon #1 INA/007/021	1.5 To be reclaimed (bonded) (3.15 to Otani)	\$48,400.00	Letter of Credit	First Interstate Bank of Denver SB 53623 - A	10/25/85 (expires 10/26/86) Renewed to 10/25/87	\$15,125.00	11/12/85
1989	Beaver Creek Coal Co. C. V. Spur ACT/007/022	160	\$2,017,669.00	Surety	Federal Insurance Co. #8094-24-78-A (A+)	7/30/84	\$12,610.00	8/6/84
1996	Western States Minerals J. B. King INA/015/002	28	\$126,078.00	Surety	Seaboard Surety Co. #104570 (A+)	4/28/86 (Phase I bond release - 60% \$185,216)	\$ 4,503.00	8/13/85
1989	Beaver Creek Coal Co. Huntington #4 INA/015/004	12.5	\$144,041.60	Surety	Federal Ins. Co.-- #8082 89 88 (A+) Rider	4/15/85 (Phase I-\$216,062 60% bond release effective 11/10/86) rider - 12/31/86	\$ 11,523.00	4/29/85  12/12/86
1987	California Ptld. Cmt. Co. Hidden Valley Mine INA/015/007	6.7	\$171,515.00	Surety	St. Paul Fire & Marine Ins. Co. #400 HJ 8041(A)	12/30/86	\$ 25,600.00	

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating)	Date Posted	Cost/Ac	Date Permit Issued
1989	Diamond Shamrock Coal Unit Trail Mtn. Coal Co. Trail Mountain ACT/015/009	8.8	\$463,711.00	Surety	National Fire Ins. Co. of Hartford #9223073 (A+)	10/29/84	\$52,694.00	Combined Tract 1 & 2 State Permit Issued 5/1/87 Federal Mine Approval Tract 2 5/7/87 2/21/85 Tract 1
1990	Consolidation Coal Co. Emery Deep ACT/015/015	247	\$3,454,443.00 (for mine & prep plant areas)	Surety	Federal Insurance Co. #8093-71-80 (A+)	6/8/82 & 12/11/85	\$13,986.00	
1989	UP&L Des-Bee-Dove ACT/015/017	74.5	\$1,837,712.00	Surety	American Casualty Co. of Reading, PA. #926-00-83 (A+)	1/25/85	\$24,667.00	8/29/85
1989	UP&L Deer Creek ACT/015/018	26.5	\$1,224,000.00	Surety	American Casualty Co. of Reading, PA. #927-21-58 (A+)	3/15/85	\$46,189.00	11/4/85
1989	UP&L Wilberg ACT/015/019	42.5	\$1,294,522.00	Surety	American Casualty Co. of Reading, PA. #924-98-19 (A+)	6/15/84	\$30,459.00	7/6/84
Interim	Co-op Mining Co. Trail Canyon ACT/015/021	10	\$200,000.00	LOC #13-85	United Bank	9/30/85	\$20,000.00	
1990	Co-op Mining Co. Bear Creek Canyon ACT/015/025	10	\$256,122.00	LOC #011	Sandy State Bank	1/5/87 (Amended and increased- letter written 12/29/86	\$23,755.00	11/1/85

Dollars (Year)	Name of Project	Acres to Reclaim Surface Disturbance	Present Bond Amount	Type of Bond Presently Posted	Principal Holder (Best's Rating)	Date Posted	Cost/Ac	Date Permit Issued
1982	Genwal Coal Co. Crandall Canyon ACT/015/032	9.7	\$136,729.00	Surety	Northwestern National Insurance Co.* ULI 880681 (Rating not assigned- Significant change) (Beware)	12/2/82	\$14,096.00	5/13/83
1991	Southern Utah Fuel Co. (Coastal States Energy Co.) Convulsion Canyon ACT/041/002	27.79	\$1,099,000.00	Surety	Travelers Indemnity Co. (A) #029-899G373-6	12/2/86	\$39,546.00	12/2/86
Interim	Coal Search Corp. Knight ACT/041/005	40	\$800,000.00	Surety	Federal Insurance Co. #8107-55-40 (A+)	9/16/85	\$20,000.00	
Explora- tion	New Tech Mining Co. Black Jack #1 PRO/019/004	7.2	\$30,534.49	Escrow Account--	First Interstate Bank #72-3024-006	1/23/84 & 12/14/79 1/20/84	\$ 4,241.00	
1990	Utah Coal & Energy, Inc. Blackhawk Mine INA/043/001	19	\$120,300.00	Subordination Agreement	Division (Real Estate in Wallsburg, UT)	6/4/86	\$ 6,332.00	
1986 (Explor- ation)	Summit Coal Co. Boyer Mine CEP/043/002	7	\$100,900.00	Subordination Agreement	Division (real estate in Park City, Utah)	8/2/85	\$14,414.00	

\*All of the bonding companies are listed in the Federal Register, July 1, 1987, the Department of Treasury listing of Surety Companies acceptable on Federal bonds, except Northwestern National Insurance Company (Genwal).