



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

March 2, 2000

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor *w h w gl*

FROM: Wayne H. Western, Reclamation Specialist III *w h w*

RE: Permit Renewal with emphasis on the Bond Amount, PacifiCorp, Trail Mountain Mine, ACT/015/009

SUMMARY:

The Division should not increase the bond at this time. The current bond of \$1,000,000 is more than the Permittee's and equal to Division's reclamation cost estimate. However, the Division has concerns about the calculations and the supporting information and should deal with them after discussions with the Environmental subcommittee are completed.

TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Determination of Bond Amount

In February 2000, the Division reviewed the reclamation bond calculations for the Trail Mountain Mine. The Division reviewed the bond calculations incorporated into the MRP on December 24, 1997 and based on work done in 1984.

The Division calculated the reclamation costs to be \$1,000,038 in 2002 dollars. The Permittee bond calculation escalated to 2002 dollars is \$863,280. The current bond amount is \$1,000,000. The Division considers the bond amount adequate.

The Division has concerns about the supporting information and how the indirect costs were calculated. The Division is currently discussing those issues with the Environmental Subcommittee and wants to wait until after the discussions before adjusting the bond. Once the discussions have been completed, the Division will contact the Permittee for information about how the reclamation costs were calculated and the supporting information.

Findings:

The Permittee met the minimum requirements of this section.

RECOMMENDATIONS:

- The Division should not take any action at this time because the current bond amount exceeds both the Permittee's and the Division's reclamation cost estimates.
- After discussions with the Environmental subcommittee have been completed, the Division should ask the Permittee for additional information about how the reclamation costs were calculated and the supporting information.