GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 2, 2018

Richard Parkins, General Manager
Fossil Rock Resources, LLC
225 North 5th Street, Suite 900
Grand Junction, Colorado 81501

Subject: Midterm Completion Response, Fossil Rock Resources, LLC, Fossil Rock Mine, C/015/0009, Task ID #5599

Dear Mr. Parkins:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than March 2, 2018.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
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Technical Analysis and Findings

Utah Coal Regulatory Program

PID:	**C0150009**
TaskID:	**5599**
Mine Name:	**FOSSIL ROCK MINE**
Title:	**MIDTERM COMPLETION RESPONSE**

General Contents

Violation Information

Analysis:

The application meets the State of Utah R645 requirements for Violation Information. R645-301-113.300: An AVS Permit Evaluation Report was generated for the Fossil Rock Mine C/015/0009 on January 17, 2018. The report listed 12 violations. The violations are coded "conditional" indicating a settlement, payment plan, or pending challenge.

ssteab

Reclamation Plan

Bonding and Insurance General

Analysis:

The application does not meet the State of Utah R645 requirements for General Bonding and Insurance.

A previous review of this midterm application found the posted reclamation bond to be inadequate. Various references within the narrative proposed a plan to sample the soils in addition to conditioning the soils with fertilizer, but these costs were not included in the bonding calculations.

The newly submitted bond was recalculated using the 2017 version of the R.S. Means Heavy Construction Cost Data, and separate line items for fertilizer and soil testing were included. The differences between the 2012 and 2017 R.S. Means Cost indexes together with the inclusion of additional costs for soil testing and amendments has increased the total bond liability by $14,000 dollars. The current posted bond amounts to $1,154,000 dollars, while the total updated bond liability is $1,168,000 dollars.

Additionally, a previous midterm review (Task #5488) specifically requested that the reclamation bond be augmented to address the costs associated with installing a splash apron at the Cottonwood Mine water outfall on the west side of the County road. The most recently submitted bond does not address these costs.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for General Bonding and Insurance. The following deficiency must be addressed prior to final approval:

R645-301-800 - Permittee must include adequate reclamation bond for the construction and installation of a splash

apron at the Cottonwood Mine water outfall as outlined on Plate 7-12.

jeatchel