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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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TO: File

THRU: Daron Haddock, Permit Supervisor *DH*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: Reclamation Bond Review, PacifiCorp, Cottonwood/Wilberg Mine, ACT/015/019, Emery County, Utah.

**Summary:** *#2*

As part of the midterm review of the Cottonwood Wilberg Mine the Division reviewed the bond calculations and amount. The Division has determined they did not calculate that bond properly, and some information is missing from the reclamation plan.

**Analysis:**

When the Division reviewed the bond calculations for the Cottonwood Wilberg, it was discovered that parts of the bond calculations were done improperly. The Permittee must modify the reclamation plan so that it conforms with the Division's policies.

In the remarks column of the surface facilities removal estimates, the Permittee states that steel beams and equipment will be salvaged. Since there are no costs associated with the removal or disposal of those items we assume that the salvage value of those items will be used to pay for their removal costs. Because the Division does not allow salvage value, the Permittee must include the costs for removing and disposing of all structure and equipment.

The Permittee also states that another division of the parent company will do the removal of the 69 kV power line. The Division's policy requires that all cost estimates must be based on the assumption that a third party does the work.

The Permittee states in the MRP in the Structure Removal section of the Reclamation Plan that once mining has ceased . . . the surface facilities will be dismantled and removed from the permit area. There are no costs associated with the transportation and disposal of the demolition debris. Since the cost of debris disposal is often equal to or greater than the demolition cost the Permittee must address debris disposal. If the debris will be disposed of off site, it must be done in an approved facility. Such facilities usually consist of a permitted

landfill. Steel items can be disposed of at a remelt facility if they assume no salvage value.

The demolition costs were based on equipment and labor costs. There was no reference to the crew's productivity in the bond calculations. They must include this information.

The earthwork calculations were based on equipment and labor costs and a stated production rate. The Permittee did not include productivity calculations in the MRP. Therefore, the Division has no way of verifying the productivity rate. For some earthwork projects in the reclamation plan the productivity rate for a bulldozer is 80%. Usually the productivity rate for bulldozers is 40% to 60%. The Permittee needs to verify the productivity calculations.

**Recommendation:**

The Permittee must revise the bond calculations so they included transportation and disposal costs for the demolition debris and that they document the productivity rates.