

# TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

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May 1, 2007

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TO: Internal File

THRU: James D. Smith, Team Lead *WAT*  
D. Wayne Hedberg, Permit Supervisor. *DS 05/31/07*

FROM: Wayne H. Western, Environmental Scientist III, Bonding *W H W*

RE: Midterm Review, PacifiCorp, Cottonwood/Wilberg Mine, C/015/0019, Task ID #2758

## SUMMARY:

The Division renewed the Cottonwood/Wilberg Mine permit on July 6, 2004 and is conducting a midterm review. This memo covers bonding.

## RECLAMATION PLAN

## BONDING AND INSURANCE REQUIREMENTS

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

### Analysis:

#### Determination of Bond Amount

The Permittee did not meet the minimum requirements for this section because they do not have adequate bond to ensure reclamation in the event of bond forfeiture. The Division updated the reclamation cost estimate with 2007 unit costs and applied an escalation factor of 0.032% per year for five years and determined that the bond must be a minimum of \$3,252,000. The current bond is \$3,082,587.

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In addition, the Permittee must also include a copy of the Division's reclamation cost estimate into the MPR. The Division will supply the Permittee with an updated copy of the reclamation cost estimate in either electronic or paper copy.

**Findings:**

The information in the MRP is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

**R645-301-830.200**, The Permittee must increase the bond amount to a minimum of \$3,252,000 and give the Division a copy of the reclamation cost estimate for incorporation into the MRP. The Division will supply the Permittee with either an electronic or paper copy of the reclamation cost estimate.

**RECOMMENDATIONS:**

The Division should require that the Permittee increase the bond amount and give the Division a copy of the reclamation cost estimate for incorporation.