



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

April 26, 2019

Ken Fleck, Manager of Geology and Environmental Affairs  
Interwest Mining Company  
P.O. Box 310  
Huntington, Utah 84528

Subject: Update Reclamation Bond Estimate, Task #5923, PacifiCorp, Cottonwood/Wilberg Mine, C/015/0019

Dear Mr. Fleck:

The above-referenced amendment is approved effective April 26, 2019. The Division has completed a Technical Analysis of the change and found that it meets the requirements of the Utah Coal Rules. A stamped incorporated copy of the amendment is enclosed for your copy of the Mining and Reclamation Plan.

If you have any questions, please feel free to call me at (801) 538-5350.

Sincerely,

Steve Christensen  
Coal Program Manager

SKC/sqs  
Enclosure  
O:\015019.CWW\WG5923 BOND\Approve.doc



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

## Technical Analysis and Findings

### Utah Coal Regulatory Program

**PID:** C0150019  
**TaskID:** 5923  
**Mine Name:** COTTONWOOD/ WILBERG  
**Title:** UPDATE RECLAMATION BOND ESTIMATE

#### Reclamation Plan

#### Bonding Determination of Amount

##### Analysis:

The amendment meets the State of Utah R645 requirements for Determination of Bonding Amount.

The amendment satisfies the requirements for R645-301-830 because the attached bond summary provides revised figures that detail all direct and indirect costs associated with the reclamation of all disturbed areas of the permit. This amendment escalates the 2016 bond by 0.007 for 5 years out to 2021 and increases the overall liability by \$77,186 to a total cost of \$2,443,081. The Permittee remains adequately bonded because the surety bond posted with the Division is \$2,779,000, a surplus of \$335,919.

jeatchel

**Cottonwood/Wilberg Mine  
Bond Summary  
C/015/0019**

**Revised April 2019**

**Direct Costs**

**Grimes Wash Facility**

Demolition	\$967,887.38
Earthwork	\$673,586.42
Revegetation	<u>\$36,172.85</u>
Subtotal	\$1,677,646.66

**Overland Conveyor**

Demolition	\$23,494.49
Earthwork	\$10,825.80
Revegetation	<u>\$3,061.91</u>
Subtotal	\$37,382.20

**Total Direct Costs** **\$1,715,028.86**

**Indirect Costs**

Mob/Demob	\$171,503.00	10.0%
Contingency	\$85,751.00	5.0%
Engineering Redesign	\$42,876.00	2.5%
Main Office Expense	\$116,622.00	6.8%
Project Maignement Fee	<u>\$42,876.00</u>	2.5%

**Total Indirect Costs** **\$459,628.00** 26.8%

**Total Cost (2011 Dollars)** **\$2,174,656.86**

Escalation factor		0.017
Number of years		5
Escalation	\$191,238.00	

<b>Bond Amount (2016 Dollars)</b>	<b>\$2,365,895</b>
-----------------------------------	--------------------

Escalation factor		0.007
Number of years		5
Escalation	\$77,186.00	

<b>Bond Amount (2021 Dollars)</b>	<b>\$2,443,081</b>
-----------------------------------	--------------------

**INCORPORATED**

**APR 26 2019**

Printed 4/9/2019

**Div. of Oil, Gas & Mining**