

0012



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
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)

May 20, 1998

TO: File

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

THRU: Daron Haddock, Permit Supervisor *DQH*

RE: Midterm Review of Bond Calculations and Permit Area, Co-Op Mining Company, Bear Canyon Mine, ACT/015/025, File #2, Carbon County, Utah

Summary:

As part of the midterm permit review the Division examined the reclamation bond and the permit area. The Division found some deficiencies with the bond calculations and the permit boundary description. The deficiencies are listed in this memo.

Reclamation Cost Estimate Deficiencies

Disposal of Building Debris

Analysis:

In Section 3.6.3.2, Removal of Surface Structures subsection Solid (Non-Coal) Waste Disposal, of the MRP the Permittee states:

- all concrete and asphalt will be placed against the highwall and covered with at least 3 feet of backfill
- culverts and pipes will either be salvaged or taken to the Emery County landfill
- scrap metal will be removed and either salvaged or taken to the Emery County landfill
- wood, paper and trash will be taken to the Emery County landfill for disposal

On May 11, 1998, the Division contacted Mr. Jim Funk of the Emery County Road Department, which operates the Emery County landfill. Mr. Funk told the Division that materials from industrial sites, such as coal mines, could not be disposed in the Emery County landfill. That landfill can only receive waste from residential sources. Noncoal waste from the Bear Canyon mine must be disposed at another landfill. The Permittee must identify some landfills that will accept noncoal waste from the Bear Canyon Mine. See R645-301-830.140 and R645-301-528.332.

The Permittee assumed that the debris disposal costs were included in Means demolition costs.

At one time the wording for debris disposal was confusing and could be interpreted to mean that disposal costs were included in the demolition cost. Means has revised the wording such that in Section 020 600 of Means, Building Demolitions, the cost of building demolition means the cost to demolish a building, load the debris onto a truck and haul it 20 miles (one-way) to a disposal facility. The demolition cost does not include the dump fee. R645-301-830.140 requires that the Permittee give the Division detailed reclamation cost estimates. That detailed cost estimate must include disposal fees.

The Permittee did not include the demolition costs for floors, footings and foundations in the reclamation cost estimate. The Division contacted Means about the demolition costs of building foundations. Means told the Division that floors, footings and foundations costs are not included in the Means building demolition costs estimates. The Permittee must include the demolition cost for all floors, footings and foundations in the reclamation cost estimate. See R645-301-830.140.

The Division does not allow the use of salvage value in reclamation cost estimates. The Division assumes it will pay to dispose of all noncoal waste, including steel. Noncoal waste transported off-site must either be sent to a State approved solid waste disposal area. The Division assumes that the landfill will charge for disposal of all waste material. The Division does consider remelt facilities to be an approved disposal area for steel disposal. The Division assumes that the remelt facility will not charge or pay for accepting the scrap steel. However, the Division does assume that there will be a transportation cost involved with steel disposal. **Note: the Division does not require the Permittee to ship steel debris to remelt facilities. The Permittee may find that the disposal cost for shipping steel to a remelt facility is less than the disposal cost at a landfill.**

Findings:

The Permittee did not meet the requirements of R645-301-830.140 and R645-301-528.332 because:

- The Permittee did not identify the landfills where the building debris and other noncoal waste will be disposed.
- The Permittee did not include the dump fee in the reclamation cost estimate.
- The Permittee did not include the demolition cost for floors, footers, and foundations in the reclamation cost estimate.

Disposal of Building Debris Specific Deficiencies

Seal and Backfill Portals:

Analysis:

The Permittee has met all the requirements of R645-301-830.140.

Findings:

The Permittee met all the requirements of for this section.

Sales-Receiving-Scale House Complex

Analysis:

The Division reviewed the demolition cost for the Sales-Receiving-Scale House complex and determined that the Permittee did not meet the requirements of R645-301-830.140 because:

- The Permittee did not give the Division detailed information on the demolition cost for the floor, foundation and footers.

Findings:

The Permittee did not meet the requirements of R645-301-830.140 because they did not give detailed information on the demolition costs for the floor, foundation and footers at the sales-receiving-scale house complex.

Shower House

Analysis:

The Division reviewed the demolition cost for the Shower House and determined that they did not meet the requirements of R645-301-830.140 because:

- The Permittee did not give the Division detailed information on the demolition cost for the floor, foundation and footers.

Findings:

The Permittee did not meet the requirements of R645-301-830.140 because they did not give detailed information on the demolition costs for the floor, foundation and footers at the shower house.

Shop

The Division reviewed the demolition cost for the Shower House and determined that the Permittee did not meet the requirements of R645-301-830.140 and R645-301-121.200 because:

- The Permittee did not give the Division detailed information on the demolition cost for the floor, foundation and footers.
- The Permittee did not identify the shop building on the surface facilities maps. The shop might be labeled the Bath House and Shop on Plate 2-4C. Referring to the building by different names in the MRP is confusing the permit reviewer.

Findings:

The Permittee did not meet the requirements of R645-301-830.140 because they did not give detailed information on the demolition costs for the floor, foundation and footers at the shop.

The Permittee did not meet the requirements of R645-301-121.200 because they did not properly identify the shop on Plate 2-4C.

Machine Shop

Analysis:

The Division reviewed the demolition cost for the Machine Shop and determined that the Permittee did not meet the requirements of R645-301-830.140 because:

- The Permittee did not give the Division detailed information on the demolition cost for the floor, foundation and footers.

Findings:

The Permittee did not meet the requirements of R645-301-830.140 because they did not give detailed information on the demolition costs for the floor, foundation and footers at the machine shop.

Coal Processing/Crusher Facility (Tipple)

Analysis:

The Division reviewed the demolition cost for the Machine Shop and determined that the Permittee did not meet the requirements of R645-301-830.140 because:

- The Permittee did not provide the Division Coal Processing/Crusher Facility (Tipple) with detailed information on the demolition cost for the floor, foundation and footers.

Findings:

The Permittee did not meet the requirements of R645-301-830.140 because they did not give detailed information on the demolition costs for the floor, foundation and footers at the coal processing/crusher facility (tipple).

Substation Power Transformer

Analysis:

The Division reviewed the demolition cost for the Substation and determined that the Permittee met the requirements of R645-301-830.140.

Findings:

The Permittee met the minimum requirements for this section.

Hiawatha Bin

Analysis:

The Division reviewed the demolition cost for the Hiawatha bin and determined that the Permittee did not meet the requirements of R645-301-121.200 and R645-301-830.140

- The Permittee did not identify the Hiawatha bin on the surface facilities maps.
- The Permittee did not identify how the steel would be disposed.

Findings:

The Permittee did not meet the requirements of R645-301-121.200 and R645-301-830.140 because:

- The Permittee did not identify the Hiawatha bin on the surface facilities maps.
- The Permittee did not identify how the steel would be disposed.

Lump Coal Bin

Analysis:

The Division reviewed the demolition cost for the lump coal bin and determined that the Permittee did not meet the requirements of and R645-301-830.140

- The Permittee did not identify how the steel would be disposed.

Findings:

The Permittee did not meet the requirements of R645-301-830.140 because they did not identify where the steel debris would be disposed.

Coal Recovery Bin Foundation

Analysis:

The Division reviewed the demolition cost for the coal recovery bin foundation and determined that the Permittee did not meet the requirements of R645-301-121.200

- The Permittee did not identify the coal recovery bin foundation on the surface facilities maps.

Findings:

The Permittee did not meet the requirements of R645-301-121.200. The Permittee must identify the coal recovery bin foundation of the surface facilities map.

Slack Bin

Analysis:

The Division reviewed the demolition cost for the slack bin and determined that the Permittee did not meet the requirements of R645-301-121.200 and R645-301-830.140.

- The Permittee did not identify the slack bin on the surface facilities maps.
- The Permittee did not identify how the steel would be disposed.

Findings:

The Permittee did not meet the requirements of R645-301-121.00 and R645-301.830.140. The Permittee must identify the slack bin on the surface facilities map and identify how the steel debris will be disposed.

Ditch D-8D Concrete Crossing Structure

Analysis:

The Permittee gave the Division detailed information on the costs of reclaiming this structure.

Findings:

The Permittee met the requirements of R645-301-830.140.

Lump Coal Storage Pad

Analysis:

The Division reviewed the demolition cost for the lump coal storage pad and determined that the Permittee did not meet the requirements of R645-301-121.200.

- The Permittee did not identify the lump coal storage pad on the surface facilities maps.

Findings:

The Permittee did not meet the requirements of R645-301-121.200. The Permittee needs to identify the lump coal storage pad on the surface facilities maps.

Equipment Wash Pad

Analysis:

The Division reviewed the demolition cost for the equipment wash pad and determined that the Permittee did not meet the requirements of R645-301-121.200.

- The Permittee did not identify the equipment wash pad on the surface facilities maps.

Findings:

The Permittee did not meet the requirements of R645-301-121.200. The Permittee must identify the equipment wash pad on the surface facilities map.

Transformer Pad by Shop

Analysis:

The Division reviewed the demolition cost for the transformer pad by the shop and determined that the Permittee met the minimum requirements for this structure.

Findings:

The Permittee met the minimum requirements of this section.

Water Tanks

Analysis:

The Division reviewed the demolition cost for the water tanks and determined that the Permittee met the minimum requirements for this structure.

Findings:

The Permittee met the minimum requirements of this section.

Fuel Storage and Stoker Oil Tanks

Analysis:

The Division reviewed the demolition cost for the fuel storage and stoker oil tanks and determined that the Permittee met the minimum requirements for this structure.

Findings:

The Permittee met the minimum requirements of this section.

Fans

Analysis:

The Division reviewed the demolition cost for fans and determined that the Permittee did not meet the requirements of R645-301-121.200 and R645-301-830.140.

- The Permittee did not identify the fans on the surface facilities maps.
- The Permittee did not identify how the steel would be disposed.

Findings:

The Permittee did not meet the requirements of R645-301-121.200 and R645-301-830.140. The Permittee must identify all the fan structures on the surface facilities maps and describe how the steel debris will be disposed.

Structures and Conveyors (Including Loadouts)

Analysis:

The Division reviewed the demolition cost for structures and conveyors and determined that the Permittee did not meet the requirements of R645-301-830.140.

- The Permittee did not identify how the steel would be disposed.

Findings:

The Permittee did not meet the requirements of R645-301-830.140. The Permittee must identify how the steel debris will be disposed.

Building Enclosure for Tank Seam Belt Portal

Analysis:

The Division reviewed the demolition cost for building enclosures for the Tank Seam belt portal and determined that the Permittee did not meet the requirements of R645-301-121.200 and R645-301-830.140.

- The Permittee did not identify how the steel would be disposed.
- The Permittee said that the building was steel but used the Means costs for concrete building demolition. The Permittee must use the correct unit cost for building demolition.

Findings:

The Permittee did not meet the requirements of R645-301-121.200 and R645-301-830.140. The Permittee did not identify how the steel would be disposed. The Permittee said that the building was steel but used the Means costs for concrete building demolition. The Permittee must use the correct unit cost for building demolition.

Scale house Area Pavement

Analysis:

The Division reviewed the demolition cost for the scale house area pavement and determined that the Permittee did not meet the requirements of R645-301-830.140.

- The Permittee did not include the disposal cost for the asphalt in the reclamation cost estimate.

Findings:

The Permittee did not meet the requirements of R645-301-830.140. The Permittee must include the cost of asphalt disposal in the reclamation cost estimate.

Missing Structures

Analysis:

The Permittee did not meet the requirements of R645-301-830.140 by failing to include the following structures in the reclamation cost estimate.

- Septic tanks
- Fuel lines
- Antifreeze tank
- Mobile Loadout
- Watchman's Trailer
- Coal Spray Tanks
- Power and Cap Magazines

Findings:

The Permittee did not meet the requirements of R645-301-830.140. The Permittee must include the demolition cost of all structure in the permit area. The structures not included in the reclamation cost estimate include but are not limited to: septic tanks, fuel lines, antifreeze tank, mobile loadout, watchman's trailer, coal spray tanks, and power and cap magazines

Deficiencies Associated with Earthwork

Tank Seam Access Road and Portal Pad Area

Analysis:

The Permittee did not meet the requirements of R645-301-830.140 by failing to:

- Include the cost for moving 8050 cubic yards of material. On Page 3-101 of the MRP the Permittee states that 18,711 cubic yards of material must be moved. However, the Permittee included a cost estimate for moving 10,661 cubic yards of material.

Findings:

The Permittee did not meet the requirements of R645-301-830.140. The Permittee must include the cost of moving all the earth in the tank seam access road and portal pad area.

Coal Pad and Upper Storage Areas:

Analysis:

The Permittee did not meet the requirements of R645-301-830.140 by failing to:

- Include the cost of moving at least 19,453 cubic yards of material. On Page 3-101 of the MRP the Permittee gives the estimated cost of moving 4,120 cubic yards of material. However, on Table 3L-2 on Page 3L-5 shows that the Permittee will cut 23,573 cubic yards. The Permittee must include the cost estimate for moving the additional 19,453 cubic yards of material.
- The Permittee did not meet the requirements of R645-301-121.200. The Permittee must state where the material that will be used to fill the borehole will come from on Page 3-102 of the MRP.

Findings:

The Permittee did not meet the requirements of R645-301-830.140. The Permittee must include the cost of moving all the materials in the coal pad and upper storage area. The Permittee must state where the material to backfill the borehole will come from.

Permit Boundaries

Analysis:

In Section 2.4, Right of Entry and Operation Information, of the MRP the Permittee states that the legal descriptions of the leases and fee land are given in Appendix 2-B. Since the boundaries of the leases and fee land can be different from the permit boundaries the Permittee failed to identify the specific lands to which the documents pertain. The Permittee needs to give the Division the legal description to the permit area. See R645-301-114.100, R645-301-121.300 and R645-301-521.190.

The Permittee must also state how many acres are in the permit area. See R645-301-121.300 and R645-301-521.190.

Findings:

The Permittee did not meet the requirements of R645-301-114.100, R645-301-121.300 and R645-301-521.190. The Permittee must give a legal description of the permit area and state permitted

Page 11
Midterm Review
ACT/015/025
May 20, 1998

acreage.

O:\015025.BCN\FINAL\MIDTERM.MWW