

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

January 23, 2006

TO: Internal File

THRU: Joe Helfrich, Environmental Scientist III, Team Lead

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

RE: Lease Addition U-46484 & U-61049, CO-OP Mining Company, Bear Canyon Mines #3 and #4, C/015/0025, Task ID# 2292

SUMMARY:

On July 21, 2005, the Division received an application for the addition of 3,336.18 acres. Those acreages and lease identification numbers include the following:

- 1) U-024316.....80 acres
 - 2) U-61049.....2,196.09 acres
 - 3) U-46484.....1,400 acres
 - 4) U-61048.....1,108.27 acres
 - 5) Fee Coal.....2,740.00 acres
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- Total Added Acreage.....7,524.36 acres

This technical memo will address the adequacy of the application as it relates to the bonding.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Determination of Bond Amount

The addition of 3,336.18 acres to the permit boundary does not include any additional surface disturbance or surface facilities. Therefore, the addition of the 3,336.18 acres will not change the reclamation cost estimate.

The current bond is for \$1,825,000 in 2005 dollars. Because there are no changes on the ground, the Division will not seek for a bond adjustment at this time. The next scheduled bond review is the midterm in May 2007. At that time, the Division will escalate the bond to 2012 dollars.

Findings:

The information provided in the amendment is adequate to meet the minimum requirements of this section of the regulations.

RECOMMENDATIONS:

The Division should approve the amendment.