

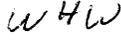
TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

November 17, 2008

TO: Internal File

THRU: Daron R. Haddock, Permit Supervisor 
Joe Helfrich, Environmental Scientist III 

FROM: Wayne H. Western, Environmental Scientist III 

SUBJECT: 2007 Midterm Permit Review, Bear Canyon Mine, Co-Op Mining Company, C/015/0025, Task ID #3036

SUMMARY:

In a letter dated February 29, 2008, the Division informed the Permittee that the Division would be conducting a midterm review of the Bear Canyon Mine permit. The Division is required to review each active permit during its term, in accordance with R645-303-211. This review is to take place at the midpoint of the permit term. The permit was renewed May 5, 2004. On July 21, 2008 the applicant was notified of one remaining midterm review deficiency regarding the bond. Additional information regarding the reclamation cost estimate was submitted to the Division on August 25, 2008. This memo will include a review of that information.

The Midterm Review for the Bear Canyon Mine has been scheduled and the pertinent items chosen for review are:

1. An AVS check to insure that Ownership and Control information is current and correct.
2. A review of the mine plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee initiated plan changes are appropriately incorporated into the mine plan document.
3. A review of the applicable portions of the permit to ensure that the mine plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.

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4. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.

5. The Division may conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

A midterm inspection was done April 15, 2008. Joe Helfrich, Jim Smith, Wayne Western, and Pete Hess represented the Division. Mark Reynolds represented the Permittee.

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 Division reviewed the reclamation cost estimate. Based on the information in the MRP, the Division determined that the amount of bond needed by the Division to ensure that reclamation cost be accomplished in the event of bond forfeiture is \$1,823,000 in 2013 dollars. The current bond is for \$1,825,000; therefore, the current bond is adequate.

Findings:

The information in the MRP is considered adequate to meet the requirements for the midterm review.

RECOMMENDATIONS:

The Division should approve the midterm review.