

C/015/025 Incoming



#4451

R

1 November 2013

Mr. Daron Haddock
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
NOV 19 2013

DIV. OF OIL, GAS & MINING

Re: Fan and Substation Upgrades

Dear Mr. Haddock:

This letter is to inform Utah Division of Oil, Gas & Mining (DOG M) that Castle Valley Mining, LLC is planning upgrades to both the existing fan area and substation. The upgrade for the fan area will be the pouring of a 20'x20' concrete pad. The substation upgrade will include the installation of a capacitor bank, a concrete pad for the capacitor bank and increasing the fenced area around the substation.

Attached are C-1 and C-2 Forms and redline/strikeout replacement pages in Chapter 8 to reflect these changes.

The Total Bond Cost as submitted in the midterm review of the Castle Valley Mining, LLC, Mining and Reclamation Plan (MRP) was for \$2,280,000.00 and will increase to \$2,282,000.00 because of the improvements at the fan area and substation.

If you have any questions, please call me at (435) 687-5454.

Sincerely,

Tony Welch
Resident Agent

P.O. Box 475 • Huntington, UT 84528
Phone (435) 687-5454 • Fax (435) 687-5037

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Castle Valley Mining, LLC

Mine: _____

Permit Number: ACT 015/0025

Title: Fan and Substation Upgrade

Description, Include reason for application and timing required to implement:

New concrete pad at exhaust fan install and adding a capacitor bank, concrete pad and fencing at the substation

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain: _____

- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?
- Yes No 24. Does the application include confidential information and is it clearly marked and separated in the plan?

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

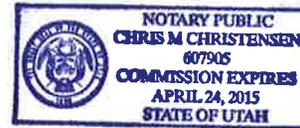
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

JADEW JOHNSON ENGINEER 11/15/13 JADEW JOHNSON
 Print Name Position Date Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 15th day of November, 2013

Notary Public: Chris M Christensen, state of Utah.

My commission Expires: April 24, 2015 }
 Commission Number: _____ } ss:
 Address: _____ }
 City: _____ State: _____ Zip: _____ }



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

**Bonding Calculations
Castle Valley Mining, LLC**

Bond Summary

Direct Costs

Subtotal Demolition and Removal	\$410,375.00	\$411,476.00
Subtotal Backfilling and Grading	\$776,040.00	
Subtotal Revegetation	\$483,034.00	
Direct Costs	\$1,669,449.00	\$1,670,550.00

Indirect Costs

Mob/Demob	\$166,945.00	10.0%	\$167,055.00
Contingency	\$83,472.00	5.0%	\$83,528.00
Engineering Redesign	\$41,736.00	2.5%	\$41,764.00
Main Office Expense	\$113,523.00	6.8%	\$113,597.00
Project Management Fee	\$41,736.00	2.5%	\$41,764.00
Subtotal Indirect Costs	\$447,412.00	26.8%	\$447,708.00

Total Cost	\$2,116,861.00		\$2,118,258.00
-------------------	----------------------------------	--	----------------------------------

Escalation factor		0.015	
Number of years		5	
Escalation	\$163,599.00		\$163,599.00

Reclamation Cost	\$2,280,460.00		\$2,281,857.00
-------------------------	----------------------------------	--	----------------------------------

Bond Amount (rounded to nearest \$1,000) 2018 dollars	\$2,280,000.00		\$2,282,000.00
--	----------------------------------	--	----------------------------------

Ref.	Description	Materials	Means Reference Number	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit Cost	New Cost
	Scale House 01																	19933	19933
	Scalehouse Pavement 02																	9631	9631
	Shower House 03																	17169	17169
	Shop 04																	17466	17466
	Machine Shop 05																	4730	4730
	WHR Shop 06																	3627	3627
	Tipple 07																	20869	20869
	Substation 08																	44264	15050
	Coal Storage Bin 09																	8521	8521
	Lump Coal 10																	5320	5320
	Coal Recovery Bin 11																	184	184
	WHR Surge Bin 12																	12086	12086
	Ditch D 8D 13																	302	302
	Lump Coal Storage Pad 14																	2762	2762
	Equipment Wash Pad 15																	67	67
	Transformer Pad Shop 16																	1795	1795
	Water Tanks 17																	2796	2796
	Fuel Tanks 18																	3760	3760
	Fuel Lines 19																	4662	4334
	Fans 20																	90506	90506
	Conveyor 21																	334	334
	Big Tank Seam 22																	330	330
	Septic Tanks 23																	15026	15026
	Culverts 24																	179	179
	Watchman Trailer 25																	139	139
	Cap and Powder Mag 26																	7811	7811
	Conveyor Tunnel 27																	5000	5000
	Plug Well 28																	63600	63600
	Seal Portals 29																	5683	5683
	Power Lines and Poles 30																	20800	20800
	Portal AMOZA No. 31																	617	617
	Culvert Removal No. 32																	15600	15600
	Portals No. 33																	3638	3638
	Retainer Retaining Wall 34																	559	559
	Stamping Station 35																		
	Total																	410375	411475

