C/015/025 Incoming

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CASTLE VALLEY MINING LLC

RECEIVED
NOV 19 2013
DIV. OF OIL, GAS & MINING

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

Re: Bond Release Fan and Substation Upgrades

Dear Mr. Haddock:

This letter is to inform Utah Division of Oil, Gas & Mining (DOGM) 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 new bond release numbers are as follow:

Total Direct Costs	$138,084
Total Indirect Costs	$ 37,006
Difference in Escalation	$ 13,531
Total Bond Release	$188,000

The above cost figures are in 2018 dollars.

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

Sincerely,

Tony Welch

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.

Print Name	Position	Date	Signature (Right-click above choose certify then have notary sign below)
Karen Johnson	Engineer	11/15/13	Karen Johnson

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: _____ }

NOTARY PUBLIC
CHRIS M CHRISTENSEN
607905
COMMISSION EXPIRES
APRIL 24, 2015
STATE OF UTAH

For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining

Form DOGM- C1 (Revised December 10, 2007)

APPLICATION FOR COAL PERMIT PROCESSING
Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Castle Valley Mining, LLC
Mine:
Permit Number: ACT 015/0025
Title: Fan and Substation Upgrade

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED
☐ Add	☒ Replace	☐ Remove	Chapter 8, Page 8-1 Bond Amount Redline/Strikeout
☐ Add	☒ Replace	☐ Remove	Chapter 8, Page 8-2 Demolition Costs Redline/Strikeout
☐ Add	☒ Replace	☐ Remove	Chapter 8, Page 8-10 Substation 08 Redline/Strikeout
☐ Add	☒ Replace	☐ Remove	Chapter 8, Page 8-22 Fan 20 Redline/Strikeout
☐ Add	☐ Replace	☐ Remove	
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.	Received by Oil, Gas & Mining

Bonding Calculations
Castle Valley Mining, LLC

Bond Summary

Direct Costs

Subtotal Demolition and Removal	~~$410,375.00~~		$375,843.00
Subtotal Backfilling and Grading	~~$776,040.00~~		$715,605.00
Subtotal Revegetation	~~$483,034.00~~		$439,917.00
Direct Costs	~~$1,669,449.00~~		$1,531,365.00
Indirect Costs			
Mob/Demob	~~$166,945.00~~	10.0%	$153,137.00
Contingency	~~$83,472.00~~	5.0%	$76,568.00
Engineering Redesign	~~$41,736.00~~	2.5%	$38,284.00
Main Office Expense	~~$113,523.00~~	6.8%	$104,133.00
Project Mainagement Fee	~~$41,736.00~~	2.5%	$38,284.00
Subtotal Indirect Costs	~~$447,412.00~~	26.8%	$410,406.00
Total Cost	~~$2,116,861.00~~		$1,941,771.00
Escalation factor		0.015	
Number of years		5	
Escalation	~~$163,599.00~~		$150,068.00
Reclamation Cost	~~$2,280,460.00~~		$2,091,839.00
Bond Amount (rounded to nearest $1,000)	~~$2,280,000.00~~		$2,092,000.00
2018 dollars			

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	Phase 1 Bond	Adj. Bond Cost
	Scale House 01																			19933		19933
	Scalehouse Pavement 02																			9831		9831
	Shower House 03																			17169		17169
	Shop 04																			17466		17466
	Machine Shop 05																			4730		4730
	WHR Shop 06																			3827		3827
	Tipple 07																			20899		20899
	Substation 08																			14261		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																			2792		2792
	Equipment Wash Pad 15																			580		580
	Transformer Pad Shop 16																			67		67
	Water Tanks 17																			1795		1795
	Fuel Tanks 18																			2796		2796
	Fuel Lines 19																			3260		3260
	Fans 20																			4062		4364
	Conveyor 21																			90506		90506
	Bid Tank Seam 22																			334	334	0
	Septic Tanks 23																			330		330
	Culverts 24																			46028	9820	111109
	Watchmen Trailer 25																			179	179	0
	Cap and Powder Mag 26																			139		139
	Conveyor Tunnel 27																			7911		7911
	Plug Well 28																			5000		5000
	Seal Portals 29																			93600	31200	62400
	Power Lines and Poles 30																			5983		5983
	Portals AM02A No 31																			20800		20800
	Culvert Removal No 32																			817		817
	Portals No 33																			15600		15600
	Hilfiker Retaining Wall No. 34																			3938		3938
	Sampling Station No. 35																			339		339
	Total																			410375	56533	375943

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Substation 09																			
	Structure's Demolition Cost																			
		Torch Cutting Steel 1" plate	02 41 19 27 0020	1.17	/LF	26.6										LF		27	LF	32
		Torch Cutting Steel 1" bar	02 41 19 27 0040	1.35	/EA									0.77	1	Day		0.8	DAY	1
		Truck Mounted Crane 25 ton	01 54 33 60 2500	630	/day									6.2	1	HR		6.2	HR	3906
		Eq. Op., Crane or Shovel (Eqhv)	Eqhv	$48.80	HR									0.77	2	DAY		1.5	DAY	73
		Truck dump 16 ton payload	01 54 33 20 5300	325	/day									6.2	2	HR		12.4	HR	4030
		Truck Driver, Heavy	Trhv	$36.60	HR									6.2	2	HR		12.4	HR	454
		CLAB	Clab	$35.45	HR															
	Steel's Weight																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Steel Truck																			
	Transportation Cost Steel Truck Drive																			
	Disposal Cost Steel																			
	Subtotal																			8496
	Equipment 's Disposal Cost																			
	Dismantling Cost	Chain link remove 8'-10'	02 41 13 60 1700	2.93	/LF	157									2	LF		314	LF	920
	Equipment 's Vol. Demolished					224.25												224.25		657
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			920
	Subtotal																			657
	Transformers																			
	Equipment 's Disposal Cost																			
	Dismantling Cost	Mechanical equipment heavy	23 05 05.10 3600	740	/ton							6				EA		6	EA	4440
	Equipment 's Vol. Demolished											7.4								5478
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			4440
	Subtotal																			5478
	Concrete Demolition																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	9.82	/CY	19	19	0.5							2	FT		13	CY	128
	Concrete's Vol. Demolished																1.3	17	CY	
	Loading Cost	Front end loader 3 CY	31 23 16 42 1300	1.64	/CY													17	CY	28
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. md. trip	31 23 23.20 1020	5.48	/CY													17	CY	93
	Disposal Costs	Disposal on site	02 41 16 17 4200	8.61	/CF													17	CY	146
	Subtotal																			395
	Concrete Demolition																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	9.82	/CY	12	4	0.67										1	CY	10
	Concrete's Vol. Demolished																1.3	1	CY	
	Loading Cost	Front end loader 3 CY	31 23 16 42 1300	1.64	/CY													1	CY	2
	Transportation Cost	12 CY (16 Tonn) Dump Truck 1/2 mi.md.trip	31 23 23.20 1020	5.48	/CY													1	CY	5
	Disposal Costs	Disposal on site	02 41 16 17 4200	8.61	/CY													1	CY	9
	Subtotal																			26
	Total																			14261
	Total																			15050

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Fans 20																			
	Structure's Demolition Cost																			
	Structure's Vol. Demolished	Torch Cutting Steel 1" plate	02 41 19 27 0020	1.17	/LF	77										LF		77	LF	90
		Torch Cutting Steel 1" bar	02 41 19 27 0040	1.35	/EA										288	EA		288	EA	389
		Truck Mounted Crane 25 ton	01 54 33 60 2500	630	/day									1	1	DAY		1	DAY	630
		Eq. Op., Crane or Shovel (Eqhv)	Eqhv	$49.80	HR									8.2	1	HR		8.2	HR	400
		Truck dump 16 ton payload	01 54 33 20 5300	325	/day									1	2	DAY		2	DAY	650
		Truck Driver, Heavy	Trhv	$36.60	HR									8.2	2	HR		16.4	HR	600
		CLAB	Clab	$35.40	HR									8.2	2	HR		16.4	HR	581
	Subtotal																			3340
	Equipment 's Disposal Cost																			
	Dismantling Cost																			
	Equipment 's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	9.82	/CY	7.5	2	0.67							8	FT		3	CY	29
	Concrete's Vol. Demolished																1.3	4	CY	
	Loading Cost	Front end loader 3 CY	31 23 16 42 1300	1.64	/CY													4	CY	7
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. rnd. trip	31 23 23 20 1020	5.48	/CY													4	CY	22
	Disposal Costs	Disposal on site	02 41 16 17 4200	8.61	/CF													4	CY	34
	Subtotal																			92
	Concrete Demolition																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	9.82	/CY	16	13	0.67							4	FT		21	CY	206
	Concrete's Vol. Demolished																1.3	27	CY	
	Loading Cost	Front end loader 3 CY	31 23 16 42 1300	1.64	/CY													27	CY	44
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. rnd. trip	31 23 23 20 1020	5.48	/CY													27	CY	148
	Disposal Costs	Disposal on site	02 41 16 17 4200	8.61	/CF													27	CY	232
	Subtotal																			630
	Concrete Demolition																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	9.82	/CY	20	20	0.67										10	CY	98
	Concrete's Vol. Demolished																1.3	13	CY	
	Loading Cost	Front end loader 3 CY	31 23 16 42 1300	1.64	/CY													13	CY	21
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi rnd trip	31 23 23 20 1020	5.48	/CY													13	CY	71
	Disposal Costs	Disposal on site	02 41 16 17 4200	8.61	/CY													13	CY	112
	Subtotal																			302
	Total																			4062
	Total																			4364