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**UTAH OGM COAL PROGRAM MEETING NOTES**


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**Date:** November 22, 2007 *JK*  
**Time:** 9:00 am – 12:00 pm  
**Location:** Price Field Office Conference Room  
**To:** Internal File, Crandall Canyon Mine, C/015/0032, Emergency Drill Holes  
**From:** Priscilla Burton *PWB by an*  
**Attendees:** Shane Campbell, SCAMP Excavation, Ltd; Priscilla Burton, Wayne Western, DOGM; Dave Shaver, David Hibbs, UEI.  
**Purpose:** Crunch numbers for cost-estimate of remaining work on SITLA and USFS managed lands.

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**MEETING SUMMARY:**

The starting point for this meeting was the Best and Worst Case scenarios arrived at during last week's meeting (11/16/2007), where all pads are reclaimed and the full length of the road on East Mountain is reclaimed.

Shane Campbell provided approximate volumes the remaining\*\* work as follows:

2,573 ft. of USFS road	7,600 yd3
2,000 ft. of pad access road	11,000 yd3
Pad #6 (acreage figure requested)	12,800 yd3
Pad #2 (acreage figure requested)	10,000 yd3
East Mountain saddle road	<u>4,959 yd3</u>
TOTAL yardage	46,359 yd3

\*\*All remaining work is on SITLA managed land except the 2,573 ft of USFS road.

Initially, SCAMP proposed a total cost of \$325,000, based upon an estimate of \$5.50/yd3 with a single mob/demob built in.

DOGM requested a further break-down of the numbers into units that are commonly portrayed on earthwork and vegetation spreadsheets such as item, equipment cost, hourly operating cost, operators wage, quantity, production, time, cost, etc.

The cost of reclamation was requested for mob/demob, earthwork and vegetation on each of the following three reclamation locations:

- Pad #2/Pad#6 and access
- SITLA road
- USFS road

After discussion, the following reclamation costs were estimated for each site with a built in mob/demob:

1) Drill pads #2 and #6 and access roads, 33,800 yd3 @ \$7.10 yd3	\$240,000
2) USFS road, 7,600 yd3 @ \$5.00/yd3	\$ 38,000
3) SITLA road, 17,632 yd3 @ 5.00/yd3	<u>\$ 88,000</u>
Total Reclamation Estimate	\$366,000

Any failure at pads #3, #4, #5, #7 or the reclaimed SITLA road on the Northeast side of East Mountain would be covered under the bond without being itemized.

DOGM routinely estimates a revegetation cost of \$3,000/acre.

The three phases of bond release were discussed: Phase 1 bond release based upon completion of earthwork; Phase 2 bond release based upon erosion control (2 yr minimum); Phase 3 bond release based upon reclamation success such as diversity and density.

Noxious weed control was stated as a requirement of bond release by the USFS and an ongoing program of noxious weed control should be written into the reclamation plan.

UEI proposed the use of the existing Crandall Canyon bond contingency figure of \$56,229.00 towards the reclamation bond cost for a grace period through the summer 2008.

#### **ACTION ITEMS:**

##### UEI:

1. Determine how the SITLA \$150,000 lease bond is tied into reclamation and if it can be released or transferred to the Division for reclamation work on SITLA managed land.
2. Provide the Division with a written proposal including cost-estimates for the Best Case Scenario and for reclamation of the full-length of the East Mountain road (first worst case scenario) by December 13, 2007, so that a bond could be figured by January 15, 2007.

##### SCAMP Excavation:

1. Determine earthwork and revegetation costs on a unit basis (per the Excel file provided) for each of the three locations: pad 2/pad6/access; SITLA road; USFS road.
2. Meet with Wayne Western next week to finalize cost-estimation into the DOGM Excel spreadsheets (provided).

##### DOGM:

1. Establish a reference area for a success standard.

**ADDITIONAL COMMENTS: (This section is intended to provide attendees the opportunity to contribute additional and significant information concerning the meeting content that may not have been mentioned during the meeting.)**

PWB

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