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# State of Utah

DEPARTMENT OF NATURAL RESOURCES

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## Technical Analysis and Findings

### Utah Coal Regulatory Program

September 22, 2017

**PID:** C0250005  
**TaskID:** 5503  
**Mine Name:** COAL HOLLOW  
**Title:** BOND SEQUENCE

#### Reclamation Plan

##### Bonding and Insurance General

###### Analysis:

The amendment meets the State of Utah R645 requirements for General Bonding and Insurance.

This MRP amendment for the bonding schedule update includes 3 maps, some clarifying narrative in Chapter 8, and 2 appendices. The two attached appendices are PDF versions of the attached bond calculation sheets with some minor explanation. One of the appendices references the Coal Hollow Mine and a different appendix references the North Private Lease. The redline differences in the text and the appendices can all be attributed to the swapping of polygons between release increments in the bond posting and bond release schedules.

The facilities demolition and earthwork costs for both the Coal Hollow Mine and North Private Lease areas are tabulated separately. Unit costs were calculated using R.S. Means Building and Heavy Construction cost manuals as well as CostMine's Mine and Mill Equipment Cost manual.

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##### Bonding Determination of Amount

###### Analysis:

The bond sequence meets the State requirements R645-301-830 for Determination of Bond Amount and is recommended for approval.

R645-3010-830 The permittee is requesting a change in specific areas for reclamation sequence release timing. The changes are shown on the maps provided and in the narrative. The bond is adequate for determination of bond amount through NPL pit 12 with the bond set as it is, and additional bond will be needed to move into pit 13. When O&P are included additional bond may need to be provided prior to pit 12.

R645-3010-830, Tech 007 Coal Regulatory Program Directive, the Permittee must utilize O&P unit costs when using standardized cost reference manuals such as R.S. Means Heavy Construction. Permit application must include detailed estimated cost, with supporting calculations for the estimates. Overhead and profit should be included in the estimated direct bond cost. The Permittee did not provide 2015 overhead and profit costs for this amendment and the escalation is only to 2017. Overhead and profit cost instead of bare unit costs will be required in the next amendment as well as an escalation to the next midterm review. Midterm review is May of 2018.

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