

C/041/002 Trimming

*#4006
K*

Ken May
597 South SR24
Salina, Utah 84654
(435) 286-4880
Fax (435) 286-4499

February 3, 2012

Permit Supervisor
Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Construction of the Warehouse Expansion, Canyon Fuel Company, LLC, SUFCO Mine C/041/002

Dear Permit Supervisor:

The enclosed four redline copies are being submitted for approval to start construction of the warehouse expansion. Attached are DOGM forms C-1 and C-2, MRP Table 5-4 "Description of Existing Structures" page 5-46, updated bond calculation sheets, and a construction drawing that shows the proposed location. All activities will occur within our current disturbed area boundary at the mine site.

The following bond calculation pages have been updated with this submittal:
Total 2068 page 1
Demo2068 Total page 1
Demo2068 Shop and Warehouse page 37

Updated and stamped version of Plates 5-2A, 5-2B and 7-6 will be submitted once construction of the warehouse expansion has been completed.

Sufco would like approval of this as soon as possible to start construction March 12, 2012. If you have any questions or need additional information, please contact Amanda Richard at (435) 286-4489.

Sincerely,
CANYON FUEL COMPANY, LLC
SUFCO Mine



Kenneth E. May
General Manager

Encl.

KEM/ARR:kb

Cc: DOGM Price Field Office
DOGM Correspondence File

Sufpub\govt2011\dogm\mrp\MRP Warehouse Expansion ltr.doc

RECEIVED

FEB 07 2012

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number:

C/041/0002

Title: Warehouse Expansion at main mine facility

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

Starting construction on warehouse expansion at the mine site facility. Construction to begin March 12, 2012

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.

KENNETH E. MAY GENERAL MANAGER

Print Name

Position

Date

Kenneth E. May 2/3/12
Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 3 day of February, 2012

Notary Public: *Jacquelyn Nebeker*, state of Utah.

My commission Expires: _____

Commission Number: _____

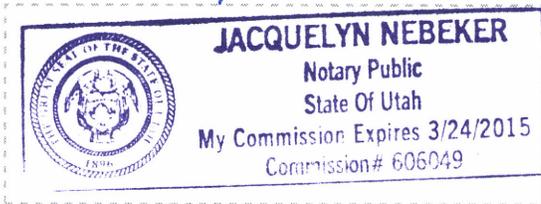
Address: _____

City: _____

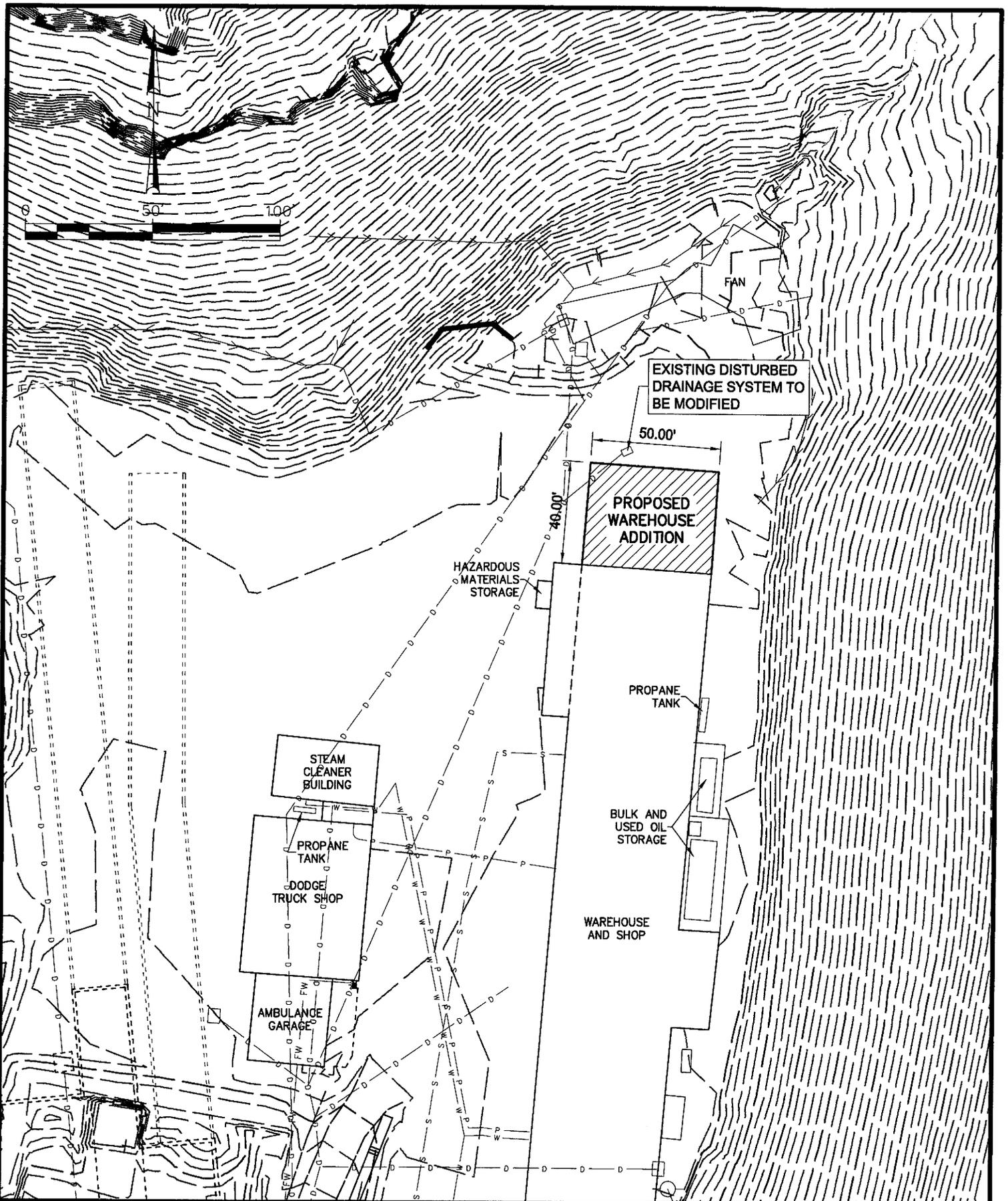
State: _____

Zip: _____

} ss: _____



<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">RECEIVED</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">FEB 07 2012</p> <p style="text-align: center; color: red; font-weight: bold; font-size: 1.2em;">DIV. OF OIL, GAS & MINING</p>
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Canyon Fuel Company, LLC
SUFCO Mine
 597 South SR 24 - Salina, UT 84654
 (435) 286-4880 Phone
 (435) 286-4499 Fax

Proposed Warehouse Expansion		
Site Exhibit		
SCALE: 1" = 50'	DATE: 1/31/2012	DRAWN BY: K.B.B.
ENGINEER: A.R.	CHECKED BY: K.B.B.	PROJ:
FILE NAME: H:\DRAWINGS\Mine 2\WAREHOUSE EXPANSION\dwg\PERMIT.dwg		

SHEET NO.
1

TABLE 5-4 (Continued)
 Description of Existing Structures

Structure	Construction Date	Construction Materials
Transfer Building	Fall 1977	Structural Steel
Trash Pit	Fall 2009	Concrete
Truck Loader Bin	Fall 2002	Structural Steel
Truck Scale	1975 / 1982 / 1996	Structural Steel
Warehouse and Shop	Summer 1976 / Spring 2012	Pre-Engineered Steel
Water Tanks - Lower	Summer 1975/Summer 2002	Steel & Plastic
Water Tank - Upper	Summer 1975	Steel
West Lease Portals & Belt	Summer 2011	Structural Steel & Concrete
Link Canyon Facilities		
Link Canyon Portals	Spring 2003	Steel
Link Canyon Substation	Summer 2000	Steel Skid
Four East Facilities		
Fan Generator Building	Fall 2003	Pre-Engineered Steel
4 East Fan	Spring 1996	Structural Steel

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,218,689.50
Subtotal Backfilling and Grading	\$548,005.00
Subtotal Revegetation	\$171,967.00
Direct Costs	\$1,938,661.50

Indirect Costs

Mob/Demob	\$193,866.00	10.0%
Contingency	\$96,933.00	5.0%
Engineering Redesign	\$48,467.00	2.5%
Main Office Expense	\$131,829.00	6.8%
Project Mainagement Fee	\$48,467.00	2.5%
Subtotal Indirect Costs	\$519,562.00	26.8%

Total Cost \$2,458,223.50

Escalation factor 0.017
 Number of years 5
 Escalation \$216,175.00

Reclamation Cost Escalated \$2,674,398.50

Bond Amount (rounded to nearest \$1,000) \$2,674,000.00
 2016 Dollars

Posted Bond \$2,874,000.00

Difference Between Cost Estimate and Bond \$200,000.00
 Percent Difference 6.96%

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	
	Ambulance Garage																				\$2,500.00
	Belt Deicer Tank																				\$13.00
	Blast Channels A																				\$143,211.00
	Blast Channels B																				\$53,488.00
	Bulk and Used Oil Storage																				\$1,518.00
	Cap Magazine																				\$22.00
	Chromator Bld																				\$18.00
	Covered Storage*																				\$0.00
	Diesel Tank																				\$985.00
	Drainage Culverts																				\$25,340.00
	Electrical Bld																				\$602.00
	Fan																				\$7,781.00
	Fire Water Tank 3000000 Gal																				\$11,126.00
	Fuel Dock																				\$928.00
	Guard House																				\$349.00
	Loadout Belt																				\$2,583.00
	Lower Stacker Coal Storage																				\$2,149.00
	Lump Coal Belt																				\$533.00
	Lump Coal Storage																				\$2,139.00
	No. 1 Belt																				\$5,104.00
	Office Building																				\$67,377.00
	Pavement Removal																				\$20,153.00
	Powder Magazine																				\$22.00
	Pulley Racks *																				\$6.00
	Pump Houses																				\$97.00
	Riprap Filter Fabric																				\$253,566.00
	Rock Dust Bin																				\$3,557.00
	ROM Coal Storage																				\$21,136.00
	ROM MCC Bld																				\$1,027.00
	ROM Coal Storage																				\$981.00
	Sampler Building																				\$2,865.00
	Sand and Salt Storage																				\$62,400.00
	Seal Ports																				\$1,533.00
	Sediment Trap																				\$0.00
	Septic Tanks																				\$0.00
	Shelves *																				\$157,181.00
	Shop and Warehouse																				\$11,941.00
	Shop Garage																				\$2,722.00
	Shop Office																				\$4,161.00
	Side Release Tank																				\$7,713.00
	Steam Cleaner Building																				\$1,103.00
	Stoker Belt																				\$6,765.00
	Stoker Bin																				\$3,135.00
	Stoker Coal Storage																				\$1,556.00
	Stoker Oil Tanks																				\$1,258.00
	Storage Trailers																				\$8.00
	Substation Lower*																				\$96,194.00
	Substation Upper*																				\$2,755.00
	Ticket Printers																				\$3,161.00
	Tipple Building																				\$1,562.00
	Tipple MCC Building																				\$1,383.00
	Tipple Office Building																				\$96,362.00
	Transfer Building																				\$0.00
	Trash Pit																				\$0.00
	Truck Loader Bin																				\$0.00
	Truck Scale																				\$0.00
	Water Tank Upper																				\$0.00
	Water Tank Lower																				\$0.00
	West Lease Tunnels & Belt																				\$0.00
	Yard Hoist																				\$945.50
	Link Canyon Facilities																				\$8,042.00
	Link Canyon Portals																				\$99,150.00
	Link Canyon Substation																				\$0.00
	Fourth East Facilities																				\$0.00
	Fan Generator Building																				\$0.00
	Four East Fan																				\$0.00
	Total																				\$1,218,689.00

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	
	Shop and Warehouse																				
	Structure's Demolition Cost	Steel Bkt. Large	02220 110 0012	0.31 /CF	CF						340360						0.1	340360	CF	105512	
	Structure's Vol. Demolished																	1261	CY		
	Rubble's Weight (exclude steel)																				
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Non Steel Truck																				
	Transportation Cost Non Steel Drive																				
	Disposal Cost Non Steel																				
	Steel's Weight																				
	Truck's Capacity										16										
	Haulage																				
	Transportation Cost Steel Truck	Truck dump 16 ton payload	D1980 200 5500	718.44 /day	day										3					18895	
	Transportation Cost Steel Truck Drive	Truck Driver, Heavy	THV	\$58.55 /HR	HR															17888	
	Disposal Cost Steel																				
	Subtotal																				736095
	Equipment's Disposal Cost																				
	Dismantling Cost																				
	Equipment's Vol. Demolished																				
	Loading Costs																				
	Transport Costs																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost	Concrete demolition	ConcreteDemo1	11.38 /CY	CY						739.19										8410
	Concrete's Vol. Demolished																				
	Loading Cost	Front end loader 3 CY	02315 024 1300	1.06 /CY	CY																
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. mt. on	02315 060 0320	2.19 /CY	CY																
	Disposal Costs	On site disposal	02220 240 5550	9.15 /CY	CY																
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Concrete Demolition																				
	Demolition Cost																				
	Concrete's Vol. Demolished																				
	Loading Cost																				
	Transportation Cost																				
	Disposal Costs																				
	Subtotal																				
	Total																				157104