

Incoming  
C0410002  
#4161  
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**Ken May**  
597 South SR24  
Salina, Utah 84654  
(435) 286-4880  
Fax (435) 286-4499

September 28, 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

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OCT 01 2012  
DIV. OF OIL, GAS & MINING

Re: Construction of the Mine #1 Fan Pad, Canyon Fuel Company, LLC, SUFCO Mine C/041/002

Dear Permit Supervisor:

As per the Division conditionally approved letter dated September 20, 2012, please find enclosed with this letter four clean copies of the Sufco Mine construction of the mine #1 fan pad. We have included completed DOGM C-1 and C-2 forms and updated bond calculation sheets.

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

If you have any questions regarding the information contained in this letter, 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\govt2012\dogmmp\MRP ConstructionOfFanPad Final ltr.doc

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## 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:** Mine 1 Fan Pad Construction

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

**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

9/28/12

*[Signature]*

Print Name

Position

Date

Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 28 day of September, 2012

Notary Public: Jacquelyn Nebeker, state of Utah.

My commission Expires: \_\_\_\_\_

Commission Number: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_



**JACQUELYN NEBEKER**

Notary Public

State Of Utah

My Commission Expires 3/24/2015

Commission# 606049

**For Office Use Only:**

Assigned Tracking Number:

Received by Oil, Gas & Mining

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**APPENDIX 5-9**

**Reclamation Bond Estimate**

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,226,638.00
Subtotal Backfilling and Grading	\$548,005.00
Subtotal Revegetation	\$171,967.00
Direct Costs	\$1,946,610.00

Indirect Costs

Mob/Demob	\$194,661.00	10.0%
Contingency	\$97,331.00	5.0%
Engineering Redesign	\$48,665.00	2.5%
Main Office Expense	\$132,369.00	6.8%
Project Management Fee	\$48,665.00	2.5%
Subtotal Indirect Costs	\$521,691.00	26.8%

Total Cost \$2,468,301.00

Escalation factor 0.017  
 Number of years 5  
 Escalation \$217,061.00

Reclamation Cost Escalated \$2,685,362.00

Bond Amount (rounded to nearest \$1,000) \$2,685,000.00  
 2016 Dollars

Posted Bond \$2,874,000.00

Difference Between Cost Estimate and Bond \$189,000.00  
 Percent Difference 6.58%

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																				\$2,504.00
	Belt Dricer 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
	Chlorinator Bid																				\$18.00
	Covered Storage*																				\$0.00
	Diesel Tank																				\$985.00
	Drainage Culverts																				\$25,340.00
	Electrical Bld																				\$602.00
	Fan																				\$8,435.50
	Fire Water Tank 300000 Gal																				\$11,126.00
	Fuel Dock																				\$928.00
	Guard House																				\$349.00
	Loadout Belt																				\$2,593.00
	Lower Stacker Coal Storage																				\$2,149.00
	Lump Coal Belt																				\$533.00
	Lump Coal Storage																				\$2,139.00
	No 1 Belt																				\$3,404.00
	Office Building																				\$67,377.00
	Pavement Removal																				\$29,153.00
	Powder Magazine																				\$22.00
	Pulley Racks *																				\$0.00
	Pump Houses																				\$972.00
	Riprap Filter Fabric																				\$259,568.00
	Rock Dust Bin																				\$3,557.00
	ROM Coal Storage																				\$21,139.00
	ROM MCC Bid																				\$1,022.00
	Sampler Building																				\$991.00
	Sand and Salt Storage																				\$2,905.00
	Seal Ponds																				\$62,400.00
	Sediment Trap																				\$1,533.00
	Septic Tanks																				\$0.00
	Shelves *																				\$0.00
	Shop and Warehouse																				\$157,104.00
	Shop Garage																				\$11,941.00
	Shop Office																				\$2,322.00
	Sole Release Tank																				\$161.00
	Steam Cleaner Building																				\$7,713.00
	Stoker Belt																				\$1,104.00
	Stoker Belt Storage																				\$6,755.00
	Stoker Oil Tanks																				\$3,127.00
	Storage Trainers																				\$1,559.00
	Substation Lower*																				\$1,256.00
	Substation Upper*																				\$7,872.00
	Ticket Booth																				\$0.00
	Trickle Building																				\$69.00
	Trickle MCC Building																				\$56,194.00
	Trickle Office Building																				\$2,789.00
	Transfer Building																				\$5,161.00
	Trash Pit																				\$10,303.00
	Truck Loader Bin																				\$562.00
	Truck Scale																				\$1,885.00
	Water Tank Upper																				\$36,352.00
	Water Tank Lower																				\$0.00
	West Lease Tunnels & Belt																				\$93,474.00
	Yard Hoist																				\$563.50
	Northwater Millageon																				\$3,953.00
	Link Canyon Facilities																				\$8,042.00
	Link Canyon Portals																				\$39,150.00
	Link Canyon Substation																				\$2,591.00
	Fourth East Facilities																				\$18,056.00
	Fourth East Substation																				\$3,301.00
	Fan Generator Building																				\$1,256.00
	Four East Fan																				\$0.00
	Four East Fan																				\$0.00
	Mine 1 Pad																				\$0.00
	<b>Total</b>																				<b>\$1,226,638.00</b>

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	
	Mine 1 Pad																				
	Structure's Demolition Cost	Steel removal	02220 110 0012	0.31 /CF	CF						80							80	CF	25	
	Structure's Vol. Demolished																				
	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										16										
	Truck's Capacity																				
	Haulage																				
	Transportation Cost Steel Truck	Truck dump, 18 ton payload	01590 200 5300	718.44 /day	Trnp/Day									3				5	Trips		
	Transportation Cost Steel Truck Drive	Truck Driver, Heavy	Trmv	50.55 /HR	HR															1.7 DAY	
	Disposal Cost Steel																			13.6 HR	
	Subtotal																				25
	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						115.2										1309
	Concrete's Vol. Demolished																				
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.06 /CY	CY																159
	Transportation Cost	12 CY (16 Ton) Dump Truck, 1/2 mi. rd. .1hp	02315 490 0920	2.9 /CY	CY																435
	Disposal Costs	On site disposal	02220 240 5550	9.15 /CY	CY																1373
	Subtotal																				3276
	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																				3901