



State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

JOHN R. BAZA
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May 13, 2015

Ken May, General Manager
Canyon Fuel Company, LLC
597 South SR24
Salina, Utah 84654

Subject: Midterm Review Response (Bond), Canyon Fuel Company, LLC, Sufco Mine, C/041/0002, Task ID #4869

Dear Mr. May:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than June 12, 2015.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/sqs
O:\041002.SUF\WG4869 MIDTERM RESPONSE\Deficiencies.doc



GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0410002
TaskID: 4869
Mine Name: SUFCO MINE
Title: MIDTERM COMPLETION RESPONSE (BOND)

Reclamation Plan

Bonding Determination of Amount

Deficiencies Details:

The Division reviewed the Permittee's application to update the bond line items to 2014 Dollars during the midterm review, R645-301-830.410. The application does not meet the minimum standards or R645-301-800 rules due to errors in the bonding sheets. The explicit list of errors that were corrected by the Division are detailed below.

DEMO

Ambulance garage

Pick either 10% or 50%, not both. Utilized 10% vol=29 CY, 50% vol= 146 CY

Transportation costs quantity left in, must be consistent with transportation cost between Nielson vs RS Means

Changed concrete demo to Nielson 2014 Quote

Annex Building

Pick either 10% or 50%, not both. Utilized 10%

Utilized Nielson transportation

Changed concrete demo to Nielson 2014 Quote

Soil nail wall is heavily reinforced concrete typically 4" thick, RS Means 02 41 13.90 0400, Convert units to linear feet-

NEED CLARIFICATION OF LENGTH OF WALL

Must include fence post footing and gate footings, 02 41 16.17 1140, due to different sizes

Top/bottom rail demo, 02 41 16.621400, if utilized for stability

NEED Clarification if gate is manual or mechanized gate entry

Gate post braces, 02 41 13.62 0800, if utilized for stability

Belt Deicer Tank

Utilized Nielson transportation

OSM prohibits accounting of salvage costs due to market uncertainty- if removed get phase 1 bond release

Added tank back into cost

Blast Channels A

Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong

Drill line item must be by BCY, loader/dump/disposal needs to be by LCY. LCY=BCY*swell factor, if you label BCY must label remained for clarity as either BCY/LCY

Still need a haul cost and since no dump truck haul need to add front loader haul/fill, can't Zero line out, 31 23 23.14

2000

Blast Channels B
See Blast channels A

Bulk and use oil storage
Utilized Nielson transportation
OSM prohibits accounting of savage costs due to market uncertainty- if removed get phase 1 bond release
Added tank back into cost
Changed concrete demo to Nielson 2014 Quote

Cap Magazine
OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation

Chlorinator Bld
Utilized Nielson transportation

Covered Storage
Permittee cannot remove cost estimate sheets without bond release, this sheet will remain in the MRP with documentation where the relevant demolition costs are accounted for
Changed concrete demo to Nielson 2014 Quote

Diesel Tank 16,900 gal
Changed concrete demo to Nielson 2014 Quote
OSM prohibits accounting of savage costs due to market uncertainty
Clarification if UST or AST - Labeled Diesel tank, proper rs means 02 65 10.30 0130 to excavate
Swell factor written on sheet wrong, 1.3 not 0.3

Drainage Culverts
Swell factor not applied properly, LCY must multiply by 1.3
Label units BCY and LCY
Changed concrete demo to Nielson 2014 Quote

Electrical Bld
Swell factor applied properly but written wrong, 1.3 not 0.3
Changed concrete demo to Nielson 2014 Quote

Fan
Not the proper RS means for fan removal, no decrease in volume
OSM prohibits accounting of savage costs due to market uncertainty
Changed concrete demo to Nielson 2014 Quote
Swell factor applied properly but written wrong, 1.3 not 0.3
If disposal underground need a cost of FE load travel to portals, 31 23.23.14 2000

Fire Water Tank 300,000 gal
Pick either 10% or 50%, not both. Utilized 10%
Utilized Nielson transportation
OSM prohibits accounting of savage costs due to market uncertainty
Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
Changed concrete demo to Nielson 2014 Quote

Fuel Dock
Original stated 30x41.5x1 as dimensions =46.1 CY not 32 CY as listed on the application
Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
Changed concrete demo to Nielson 2014 Quote

GuardHouse
Original has 35% volume demo instead of 50%

Loadout Belt
Pick either 10% or 50%, not both. Utilized 10%

Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
OSM prohibits accounting of savage costs due to market uncertainty
Changed concrete demo to Nielson 2014 Quote
Utilized Nielson transportation

LowerStack Coal Storage

There are two steel buildings on the original sheet, line items can only be removed from sheets through bond release
Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
Changed concrete demo to Nielson 2014 Quote Utilized

Lump Coal Belt

Pick either 10% or 50%, not both. Utilized 10%
Utilized Nielson transportation
Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
Changed concrete demo to Nielson 2014 Quote

Lump Coal Storage

Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
Changed concrete demo to Nielson 2014 Quote

Mine 1 Pad

Not the proper RS means for fan removal, no decrease in volume
Utilized Nielson transportation
Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
OSM prohibits accounting of savage costs due to market uncertainty
FE loader haul for portal debris not dump truck

No 1 Belt

OSM prohibits accounting of savage costs due to market uncertainty
Pick either 10% or 50%, not both. Utilized 10%
Utilized Nielson transportation

Office Building

Pick either 10% or 50%, not both. Utilized 10%
Utilized Nielson transportation
Need to add manhole demo 02 41 13.42 0200, plus loading/transport and on site disposal
Base course loading/transport-- need clarification
Asphalt gutter- need clarification
ASHPALT DEMO 292 CY
Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
Changed concrete demo to Nielson 2014 Quote

Pavement Removal

Swell factor of soil is 1.3 not 0.3, sheet numbers are correct but labeled wrong
Surface area calculated incorrectly
Missing disposal cost
Clear up what asphalt is accounted for in the office building sheet vs pavement , i.e. pavement not double counted on officebuilding sheet

Powder Magazine

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation
Pick either 10% or 50%, not both. Utilized 10%
If buildings are to remain, must provide documentation that fits post mining land use and owner needs

Pulley Racks

Sheet cannot be removed without bond release, if they were moved elsewhere on the site must keep sheet to document where and how all demo and earthwork are demonstrated accounted for.

Pump House

Utilized Nielson transportation
Pick either 10% or 50%, not both. Utilized 10%

Swell factor shown wrong, 1.3 not 0.3
Changed concrete demo to Nielson 2014 Quote

Riprap Filter

RS requires LCY which means a swell factor needs to be applied, Caterpillar Performance Handbook suggest 1.3 for gravel

RockDust Bin

Pick either 35% or 50%, not both. Utilized 35%
Changed concrete demo to Nielson 2014 Quote

Rom coal storage

Utilized Nielson transportation
Pick either 10% or 50%, not both. Utilized 10%
Swell factor shown wrong, 1.3 not 0.3
No swell factor applied to LCY on final Excavation line items
Changed concrete demo to Nielson 2014 Quote

ROM MCC BLd

Pick either 35% or 50%, not both. Utilized 35%
Swell factor shown wrong, 1.3 not 0.3
Changed concrete demo to Nielson 2014 Quote

Sampler Building

Pick either 10% or 50%, not both. Utilized 10%
Swell factor shown wrong, 1.3 not 0.3
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote

SandandSalt Storage

Swell factor shown wrong, 1.3 not 0.3
Changed concrete demo to Nielson 2014 Quote

Seal Portals

No changes

Sediment Trap

Swell factor shown wrong, 1.3 not 0.3
Changed concrete demo to Nielson 2014 Quote

Septic Tanks

Need line item to drain
Need excavation line item

Shelves

Sheet cannot be removed without bond release, if they were moved elsewhere on the site must keep sheet to document where and how all demo and earthwork are demonstrated accounted for.

Shopand warehouse

Pick either 10% or 50%, not both. Utilized 10%
Swell factor shown wrong, 1.3 not 0.3
Error in transportation line- show individual haul for each sheet
Changed concrete demo to Nielson 2014 Quote

Shop garage

Pick either 20% or 50%, not both. Utilized 20%
Swell factor shown wrong, 1.3 not 0.3
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote

Shop/Maintenance Office

Pick either 10% or 50%, not both. Utilized 10%

Utilized Nielson transportation

SideReleasetank

Pick either 10% or 50%, not both. Utilized 10%
OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation

Steam Cleaner Build

Pick either 35% or 50%, not both. Utilized 35%
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

StokerBelt

OSM prohibits accounting of savage costs due to market uncertainty
Pick either 10% or 50%, not both. Utilized 10%
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

StokerBin

OSM prohibits accounting of savage costs due to market uncertainty
Added 9000 gal tank
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

Stoker Coal Storage

Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

Stoker Oil Tank

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3
Added tank back into calcs

Storage Trailers

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation

Substation Lower

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

Substation Upper

Sheet cannot be removed without bond release, if they were moved elsewhere on the site must keep sheet to document where and how all demo and earthwork are demonstrated accounted for.
OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation

Ticket Printers

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

Tipple Building

Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote

Swell factor shown wrong, 1.3 not 0.3

Tipple MCC Building

Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

Tipple Office Building

Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3
Utilized 10% shrink

Transfer Building

Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

Trash pit

Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

TruckLoaderBin

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation

Truck Scale

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3

WaterTank Lower

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation

Water Tank upper

See watertank lower

West Lease Tunnels

Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3
Add cmp pipe removal
Utilized 10% volume shrink

Yard Hoist

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation
Changed concrete demo to Nielson 2014 Quote
Swell factor shown wrong, 1.3 not 0.3
Utilized 10% volume shrink

Link Canyon Substation

OSM prohibits accounting of savage costs due to market uncertainty
Utilized Nielson transportation
Missing bore hold plug

LinkCanyon Portal

Sheet cannot be removed without bond release, if they were moved elsewhere on the site must keep sheet to document where and how all demo and earthwork are demonstrated accounted for.

Fan Generator Building

Utilized 35% shrink volume

Utilized Nielson transportation

Four East Fan

OSM prohibits accounting of salvage costs due to market uncertainty

Utilized Nielson transportation

Changed concrete demo to Nielson 2014 Quote

Swell factor shown wrong, 1.3 not 0.3

Wrong rs for fan removal

FE loader haul for portal debris not dump truck

Northwater Mitigation

Change pipe to volume for FE removal and haul

Changed concrete demo to Nielson 2014 Quote

EARTHWORK

The permittee submitted 2015 prices instead of 2014. The algorithm that the Division has utilized according to Tech Memo 007 and OSM Handbook for Bonding Cost Estimating will be utilized instead of the permittee's submitted calcs, which differ from the Division standard of calculations. R645-301-800.

REVEGETATION

The MRP states that fertilizers, described in Section 4.5 and 4.6.4 of Vol 3, will be applied along with one ton per acre of mulch and tackifier application along with roughened prior to planting by scarifying to a suitable depth. Cost is missing actual hydro seed applications, 32 92 19.14 5800, ripping/scarifying, and tackifer, (dugout cost 52.5/AC)

cparker