

March 8, 2017

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

Re: Amendment to MRP to Revise Bond- Associated with Phase 3 of Waste Rock Disposal Site and Sinkhole Revegetation, Sufco Mine, Canyon Fuel Company, LLC, Permit Number C/041/0002

Dear Sirs:

Please find enclosed with this letter modifications to the permit to revise the bond to accomplish the following:

Revision of the topsoil/subsoil salvage quantities at the waste rock disposal site, due to having completed the construction of Phases 1 and 2. The revisions have required the costs to be updated in the bond.

The emergency pocking and planting of a sinkhole has made it necessary to bond for the revegetation should the initial planting fail.

If you have questions or need addition information please contact Vicky Miller at (435)286-4481.

CANYON FUEL COMPANY, SUFCO Mine


for

John Byars
General Manager

Encl.

cc: DOGM Correspondence File

RECEIVED

MAR 13 2017

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: Revision to Bond associated with Phase 3 Waste Rock Disposal Site and Sinkhole Mitigation

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

Instructions: If you answer yes to any of the first eight (gray) 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?

Please attach one (1) review copy of the application.

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.

Jacob Smith
Print Name

J. Smith, Engr. Major, 3/9/17
Sign Name, Position, Date

Subscribed and sworn to before me this 9 day of March, 2017

Jacquelyn Nebeker
Notary Public



My commission Expires: _____, 20____ }
Attest: State of _____ } ss:
County of _____

For Office Use Only: 	Assigned Tracking Number: 	Received by Oil, Gas & Mining <div style="text-align: center; color: blue; font-weight: bold; font-size: 1.2em;">RECEIVED</div> <div style="text-align: center; color: red; font-weight: bold; font-size: 1.1em;">MAR 13 2017</div> <div style="text-align: center; color: blue; font-weight: bold; font-size: 1.1em;">DIV. OF OIL, GAS & MINING</div>
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CHAPTER 5

APPENDIX 5-9 RECLAMATION BOND

Direct Costs

Subtotal Demolition and Removal	\$1,735,166	
Subtotal Backfilling and Grading	\$1,511,267	
Subtotal Revegetation	\$165,360	
Direct Costs	\$3,411,793	<i>2014 Dollars</i>

Indirect Costs

Mob/Demob	\$341,179	10.0%
Contingency	\$170,590	5.0%
Engineering Redesign	\$85,295	2.5%
Main Office Expense	\$232,002	6.8%
Project Management Fee	\$85,295	2.5%
Subtotal Indirect Costs	\$914,361	26.8%

Total Cost	\$4,326,154.00	<i>2014 Dollars</i>
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<i>Escalation factor for 2014</i>		<i>0.019</i>
<i>Number of years to next midterm</i>		<i>5</i>
<i>Escalation Amount</i>	<i>\$354,219.00</i>	
<i>Reclamation Cost Escalated</i>	<i>\$ 4,680,373</i>	<i>2019 Dollars</i>

Bond Amount (rounded to nearest \$1,000) 2019	\$4,680,000.00
Dollars	

Posted Bond 2016	\$4,362,000.00
Difference Between Cost Estimate and Bond	-\$318,000.00
Percent Difference	-7.29%

EARTHWORK COSTS

March 2017

REVEGETATION COST

March 2017

Ref.	Description	Work-Sub	Items Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Material	Unit	Swirl Factor	Quantity	Unit	Cost
	Vegetation																			
	Waste Rock Site																			
	Soil Preparation	Ripping	31 23 16 32 2820	0.41 BCY						23.733						AC		38288.24	CY	\$ 15,699
	Seed	SUF Co WasteRock	SUFC01	389/AC						23.733						AC		19.21	AC	9231
	Hydro seed Equipment and Labor	Hydro Seeding, Mulch & Fertilizer	32 92 19 14 5600	31.05/MSF						23.733						AC		1034	MSF	32106
	Mulch	Hay 1"	31 25 14 16 1200	624 TON						23.733						AC		1	ton/acre	14809
	Tackifier	Tackifier		52.5/AC						23.733						AC		60	lb/ac	1246
	Existing and Phase 1 through 3									23.733						AC				
	All Others Except Link Canyon										425/AC									
	Soil Preparation	Ripping	31 23 16 32 2820	0.41 BCY						19.214						AC		30988.59	CY	\$ 12,709
	Seed	SUF Co WasteRock	SUFC01	746/AC						19.214						AC		19.21	AC	14174
	Hydro seed Equipment and Labor	Hydro Seeding, Mulch & Fertilizer	32 92 19 14 5600	31.05/MSF						19.214						AC		19.21	MSF	598
	Mulch	Hay 1"	31 25 14 16 1200	624 TON						19.214						AC		1	ton/acre	11990
	Tackifier	Tackifier		52.5/AC						19.214						AC		60	lb/ac	1009
	Plant Seedlings	SUF Co Transplants	SUFC03	487/AC						19.214						AC		19.21	AC	9355
	Plant Seedlings	Bare root seedlings 6 to 10 inch heavy soil	32 93 43 10 0561	0.81 EA						19.214						AC		8166	EA	6614
	Subtotal																			129538
	Revegetation																			
	25% Revegetation Rate																			32385
	Subtotal																			32385
	Link Canyon Portal																			
	Soil Preparation	Ripping	31 23 16 32 2820	0.41 BCY						0.48						AC		774.4	CY	\$ 318
	Seed	SUF Co WasteRock	SUFC01	746/AC						0.48						AC		0.48	AC	358
	Hydro seed Equipment and Labor	Hydro Seeding, Mulch & Fertilizer	32 92 19 14 5600	31.05/MSF						0.48						AC		20.91	MSF	649
	Mulch	Hay 1"	31 25 14 16 1200	624 TON						0.48						AC		1	ton/acre	300
	Tackifier	Tackifier		52.5/AC						0.48						AC		60	lb/ac	25
	Plant Seedlings	SUF Co Transplants	SUFC03	487/AC						0.48						AC		0.48	AC	234
	Plant Seedlings	Bare root seedlings 6 to 10 inch heavy soil	32 93 43 10 0561	0.81 EA						0.48						AC		204	EA	165
	Subtotal																			1731
	Revegetation																			
	25% Revegetation Rate																			433
	Subtotal																			433
	2RWL Sinkhole																			
	Soil Preparation	Ripping	31 23 16 32 2820	0.41 BCY						0.35						AC		565	CY	\$ 496
	Seed (Broadcast, doubled amount of seed)	SUF Co WasteRock	SUFC01	746/AC						0.35						AC		1.5	AC	522
	25% Revegetation Rate																			255
	Subtotal																			1273
	Total																			165360