

May 10, 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, Task ID# 5400, 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

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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, Task ID#5400

**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.

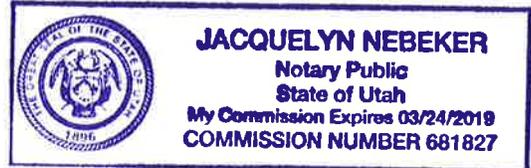
Jacob D. Smith  
Print Name

J. Smith, Engr. Mnggr., 5/10/17  
Sign, Name, Position, Date

Subscribed and sworn to before me this 5 day of May, 2017

Jacquelyn Nebeker  
Notary Public

My commission Expires: \_\_\_\_\_, 20\_\_\_\_ }  
Attest: State of \_\_\_\_\_ } ss:  
County of \_\_\_\_\_ }



**For Office Use Only:**

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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	\$165,427	
<b>Direct Costs</b>	<b>\$3,411,860</b>	<i>2014 Dollars</i>

### Indirect Costs

Mob/Demob	\$341,186	10.0%
Contingency	\$170,593	5.0%
Engineering Redesign	\$85,297	2.5%
Main Office Expense	\$232,006	6.8%
Project Management Fee	\$85,297	2.5%
<b>Subtotal Indirect Costs</b>	<b>\$914,379</b>	<b>26.8%</b>

<b>Total Cost</b>	<b>\$4,326,239.00</b>	<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>\$ 4,680,458 2019 Dollars</i>

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

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

**EARTHWORK COSTS**

**April** ~~March~~ 2017





**REVEGETATION COST**

**April** ~~March~~ 2017

Ref	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Quantity	Unit	Cost	
	<b>Vegetation</b>																			
	<b>Waste Rock Site</b>																			
	Soil Preparation	Ripping	31 23 16 32 2820	0.41 BCY																
	Seed	SUFCo WasteRock	SUFCo1	369 /AC																\$ 15,699
	Hydro seed Equipment and Labor	Hydro Seeding, Mulch & Fertilizer	32 92 19 14 5800	31.05 /MSF																9231
	Mulch	Hay 1"	31 25 14 16 1200	624 TON																32106
	Tackifier	Tackifier		52.5 /AC																14609
	Existing and Phase 1 through 3																			1246
	<b>All Others Except Link Canyon</b>																			
	Soil Preparation	Ripping	31 23 16 32 2820	0.41 BCY																
	Seed	SUFCo WasteRock	SUFCo1	746 /AC																\$ 12,709
	Hydro seed Equipment and Labor	Hydro Seeding, Mulch & Fertilizer	32 92 19 14 5800	31.05 /MSF																596
	Mulch	Hay 1"	31 25 14 16 1200	624 TON																11990
	Tackifier	Tackifier		52.5 /AC																1009
	Plant Seedlings	SUFCo Transplants	SUFCo3	487 /AC																9355
	Plant Seedlings	Bare root seedlings 6 to 10 inch heavy soil	32 93 43 10 0561	0.81 EA																6614
	<b>Subtotal</b>																			<b>129538</b>
	Revegetation																			
	25% Revegetation Rate																			32395
	<b>Subtotal</b>																			<b>32395</b>
	<b>Link Canyon Portal</b>																			
	Soil Preparation	Ripping	31 23 16 32 2820	0.41 BCY																
	Seed	SUFCo WasteRock	SUFCo1	746 /AC																\$ 318
	Hydro seed Equipment and Labor	Hydro Seeding, Mulch & Fertilizer	32 92 19 14 5800	31.05 /MSF																358
	Mulch	Hay 1"	31 25 14 16 1200	624 TON																649
	Tackifier	Tackifier		52.5 /AC																300
	Plant Seedlings	SUFCo Transplants	SUFCo3	487 /AC																25
	Plant Seedlings	Bare root seedlings 6 to 10 inch heavy soil	32 93 43 10 0561	0.81 EA																234
	<b>Subtotal</b>																			<b>165</b>
	Revegetation																			
	25% Revegetation Rate																			2049
	<b>Subtotal</b>																			<b>512</b>
	<b>ZFWL Sinkhole</b>																			
	Soil Preparation	Ripping	31 23 16 32 2820	0.41 BCY																
	Seed (Broadcast, doubled amount of seed)	SUFCo WasteRock	SUFCo1	746 /AC																\$ 232
	25% Revegetation Rate																			522
	<b>Subtotal</b>																			<b>189</b>
	<b>Total</b>																			<b>165427</b>