C/041/002 Incoming

5506

Canyon Fuel Company, LLC
A Subsidiary of Bowie Resources Partner, LLC

Sufco Mine
John D. Byars
General Manager
597 South SR24
Salina, Utah 84654
(435) 286-4400
Fax (435) 286-4499

July 31, 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: Bonding of Phase 4 Construction at Waste Rock Site, Canyon Fuel Company, LLC, Sufco Mine, C/041/002

Dear Sirs:

Please find enclosed with this letter an amendment to adjust the reclamation bond to add the earthwork associated with the remove, storage and placement of topsoil and subsoil for Phase 4. This activity has previously been bonded for Phases 1, 2 and 3. The revegetation bond costs have previously been included for all Phases.

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

CANYON FUEL COMPANY
SUFCO Mine

Vicky A Miller
for

Jacob Smith
Technical Services Manager

Encl.

cc: DOGM Correspondence File

RECEIVED
AUG 03 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: Bond Phase 4 Construction at Waste Rock Disposal Site
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 four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) 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.

Jacob D. Smith
Print Name

Engr. Mgr., 7/31/17
Sign Name, Position, Date

Subscribed and sworn to before me this 31 day of July, 2017

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

JACQUELYN NEBEKER
Notary Public
State of Utah
My Commission Expires 03/24/2019
COMMISSION NUMBER 681827

For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
		RECEIVED AUG 03 2017 DIV. OF OIL, GAS & MINING

Form DOGM- C1 (Revised March 12, 2002)

APPLICATION FOR COAL PERMIT PROCESSING
Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Canyon Fuel Company, LLC
Mine: Sufco Mine **Permit Number:** C/041/002
Title: Bonding of Phase 4 for Construction at the Waste Rock Disposal Site

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED
☐ Add	☐ Replace	☐ Remove	M&RP
☐ Add	☒ Replace	☐ Remove	Chapter 5, Appendix 5-9 - Total Pg., Earthwork Total Pg. and Earthwork Waste Rock Pg.
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.	Received by Oil, Gas & Mining
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APPENDIX 5-9

Reclamation Bond Estimate

Direct Costs

Subtotal Demolition and Removal	$1,735,166	
Subtotal Backfilling and Grading	$1,710,815	
Subtotal Revegetation	$165,427	
Direct Costs	$3,611,408	*2014 Dollars*

Indirect Costs

Mob/Demob	$361,141	10.0%
Contingency	$180,570	5.0%
Engineering Redesign	$90,285	2.5%
Main Office Expense	$245,576	6.8%
Project Mainagement Fee	$90,285	2.5%
Subtotal Indirect Costs	$967,857	26.8%

Total Cost	**$4,579,265.00**	*2014 Dollars*

Escalation factor for 2014		*0.019*
Number of years to next midterm		*5*
Escalation Amount	*$354,219.00*	
Reclamation Cost Escalated	*$ 4,933,484*	*2019 Dollars*
Bond Amount (rounded to nearest $1,000) 2019 Dollars	**$4,933,000.00**	

Posted Bond 2017 $4,680,000.00

Difference Between Cost Estimate and Bond

Percent Difference

	Equipment Cost	Hourly Operating Costs	Equipment Overhead	Operator's Hourly Wage Rate	Hourly Cost	Number of Men or Eq.	Total Eq. & Lab. Costs	Units	Quantity	Units	Production Rate	Units	Equip. + Labor Time/Dis.	Units	Cost
Cut and Fill Mine Site															893908
Waste Rock Site															807955
Link Canyon Substation 03															678
Link Canyon Portals 04															3526
SITLA Muddy Tract Exploration															4748
Subtotal															1710815

Waste Rock Site

	Equipment Cost	Hourly Operating Costs	Equipment Overhead	Operator's Hourly Wage Rate	Hourly Cost	Number of Men or Eq.	Total Eq. & Lab. Costs	Units	Quantity	Units	Production Rate	Units	Equip. + Labor Time/Dis.	Units	Cost
D9R Semi-U EROPS (9-35) (2H14)	23835	250	0.1	48.9	472.87	1	472.87	$/HR	132195	CY	225	CY/HR	587.5	HR	277811
826H ((6-12) (2N14)	23545	250	0.1	48.9	471.06	1	471.06	$/HR					587.5	HR	276748
CLAB					56.55	1.5	84.83	$/HR					587.5	HR	49838
8,000 gal H2O truck Diesel (20-16) (2N14)	13165	72.35	0.1	56.55	218.42	1	218.42	$/HR					587.5	HR	128322
Pickup Truck Crew 4x4 1 ton (20-17) (2N14)	850	9	0.1	36.5	51.71	1	51.71	$/HR					587.5	HR	30380
Foreman Average, Outside					76.35	1	76.35	$/HR					587.5	HR	44856
ASBUILT INFORMATION to be added															
Phase 1									33700						
Phase 2 & Transition topsoil removal Lift 1&2									33241						
Phase 3									32600						
~~Total Phase 1 through 3~~									~~99541~~						
Phase 4									32654						
Total Phase 1 through 4									**132195**						
Subtotal															**807955**