



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 23, 2018

John Byars, General Manager
Canyon Fuel Company, LLC
597 South SR24
Salina, Utah 84654

Subject: Conditional Approval of Bonding of Waste Rock Site, Canyon Fuel Company, LLC,
Sufco Mine, C/041/0002, Task #5741

Dear Mr. Byars:

The above-referenced amendment is approved conditioned upon receipt of 2 clean copies prepared for incorporation. Please submit these copies by November 16, 2018. Once we receive these copies, final approval will be granted.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

A handwritten signature in blue ink that reads "Daron R. Haddock".

Daron R. Haddock
Coal Program Manager

DRH/sqs
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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0410002
TaskID: 5741
Mine Name: SUFCO MINE
Title: BONDING OF WASTE ROCK SITE

Summary

The area of the phases of waste rock pile construction are noted in tables on Maps 4A - 4F. Map 4C illustrates the current operational phase. This application proposes a disturbed area expansion of 5.8 acres to allow development of Phase 4 construction at the SUFCO waste rock site. The permit area of 58.52 acres will not change. The disturbed area will be increased from 28.78 to 34.08 acres (Chap 1, pg 1-15.)

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Operation Plan

Topsoil and Subsoil

Analysis:

The application makes no changes to the Waste Rock Disposal Site soil operation plan. Stockpiles will be sloped and mulched as described in Section 234.100 (p. 2-17 or e-pg 43) and as shown on Maps 2C and 2D.

May 2017 as-builts for Phase 1 and 2 salvage are shown on Map 2G and the 2016 Table found at the end of Chapter 2. Figure 8 shows the cross-sections of Phase 1 & 2 stockpiles. Vegetation grubbing and topsoil expansion is currently underway for Phase 3 expansion. As-built volumes and figures will be provided for the Phase 3 & 4 expansion in accordance with MRP statements in Section 242.100 (pg 2-22) .

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Reclamation Plan

Bonding Determination of Amount

Analysis:

The amendment meets the State of Utah R645 requirements for Determination of Bonding Amount.

The amendment satisfies the requirements of R645-301-830 because narrative and calculations included in this submittal propose to increase the reclamation bond by over \$400,000. The narrative states that the current bond covers the earthwork and revegetation costs for phases 1, 2, and 3 of the waste rock site. The proposed bond increase will cover the costs for earthwork in Phase 4, and additional revegetation costs for Phases 4 and 5. No earthwork will be completed on Phase 5 at this time, but revegetation will be needed since a portion of Phase 5 will be used to temporarily store soils from Phases 3 and 4. An escalation factor of 1.78% has been applied to the total cost.

The current bond on file at the Division is \$4,681,000, but will be increased by \$422,000 to \$5,103,000 upon approval of this amendment.

jeatchel