



STATE OF
COLORADO

Musick - DNR, Jason <jason.musick@state.co.us>

NOI X-2013-228-01, Incompleteness Letter and RCE

1 message

Musick - DNR, Jason <jason.musick@state.co.us>

Tue, Nov 21, 2017 at 1:44 PM

To: Kathy Welt <kwelt@archcoal.com>

Good afternoon Kathy,

Attached is the Division's notice of an incomplete notice of intent and updated reclamation cost estimate associated with X-2013-228-01.

Please let me know if you have any questions or comments.

Thanks,
Jason

--

Jason Musick
Environmental Protection Specialist III
Coal Regulatory Program



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

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1313 Sherman Street, Room 215, Denver, CO 80203
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2 attachments



completeness_v4.pdf
136K



X201322801_RCE.pdf
387K



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

November 21, 2017

Kathy Welt
Mountain Coal Company, LLC
P.O. Box 591
Somerset, CO 81434

**Re: Ark Land Company
Notice of Intent to Explore (NOI)
File No. X-2013-228-01
Revised Decision and Incomplete Status Update**

Dear Ms. Welt,

In a letter and Acceptance of Notice of Intent to Conduct Coal Exploration form dated July 1, 2013, the Division Accepted the above-referenced NOI in accordance with the applicable provisions of the Colorado Surface Coal Mining Act ("Act") and the Regulations of the Colorado Mined Land Reclamation Board for Coal Mining ("Regulations"). As a requirement for the complete NOI under the Rule 2.02.2(2)(e) of the "Regulations", the notice must include a description of the basis upon which the person who will explore claims right to enter such area for the purpose of conducting exploration and reclamation. This information was submitted for the above referenced NOI for a portion of the Exploration Area in the form of the Federal Coal Exploration Plan from the BLM including a Decision Memo of the Federal Coal Exploration Plan from the USFS. This information was received via email through a link to the decision records from the BLM and in an email from Mr. Ryan Taylor of the USFS providing a concurrence letter from the USFS to the BLM Decision on July 1, 2013.

Based on the conclusion identified in the June 27, 2014 U.S District Court for the District of Colorado ruling, which states that, "the intervenor defendants are immediately enjoined from proceeding with the Exploration Plan in any manner that involves any construction, bulldozing, or other on-the-ground, above ground, or below ground disturbing activity of the subject area, The government defendants' approval of the Exploration Plan is vacated," the information submitted referencing the Federal Coal Exploration Plan to address Rule 2.02.2(2)(e) was no longer adequate. As such, in a letter dated July 7, 2014 the Division deemed the above referenced NOI as incomplete.

In an email dated November 9, 2017, Ark Land Company submitted information updating the NOI and providing information to address the Division's incompleteness determination. Based on the Division's review, the NOI is Incomplete



Please address the following:

Notification of Completeness [Rule 2.02.2]

Notice of Intent No. X-2013-228-01 is incomplete

The Division has the following comments to determine the NOI complete and requested submission of the following information identified below:

Rule 2.02.2(2)(e) - Upon final approval of a Federal Coal Exploration Plan from the BLM including a Decision Memo of the Federal Coal Exploration Plan from the USFS, Please submit the approved Federal Coal Exploration Plan and the Decision Memo of the Federal Coal Exploration Plan from the USFS for review.

Determination of Amount of Performance Bond [Rule 3.05.2(1)]

The Division has prepared an updated preliminary estimate of the amount of performance bond sufficient to assure the satisfactory reclamation of the proposed coal exploration disturbance if, in the event of bond forfeiture, the work had to be performed by the Division through independent contractors. The previous amount of performance bond calculated was \$224,304.22. A corporate surety in the amount of \$224,304.22 was submitted and approved. This corporate surety remains active with the Division.

Due to the amount of time that has past since the initial RCE, the Division has generated a updated RCE to reflect any change based on a 2017 Division update of costs. The Division's updated RCE is \$219,175.61. This amount is less than the current bond held. AS such, additional bond is not required.

Please note that NOI X-2013-228-01 remains a submitted application on file with the Division; however, the status of the application will be changed from Accepted to Incomplete based on Rule 2.02.2(2)(e).

If you have any questions or comments please feel free to contact me. (303) 866-3567 ex 8134

Sincerely,



Jason Musick
Environmental Protection Specialist
Jason.musick@state.co.us

COST SUMMARY WORK

Task description: Summary of Reclamation Tasks

2017 Sunset Trail Exploration
Site: Drilling

Permit Action: X201322801

Permit/Job#: X201322801

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 11/21/2017 County: Gunnison Filename: X228-000
9:07:03 AM
User: JDM

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Seal and Abandon Drill Holes	BOREHOLE	1	125.00	\$72,466.82
002	Regrade Drill Pads and Mud Pits	DOZER	1	72.41	\$9,430.00
003	Regrade Access Roads	DOZER	1	425.56	\$57,721.00
004	Replace Topsoil on Drill Pads and Roads	DOZER	1	94.13	\$12,259.00
005	Reseed Drill Pads and Roads	REVEGE	1	6.97	\$6,221.00
006	Mobilization and Demobilization	MOBILIZE	1	8.16	\$3,179.00
<u>SUBTOTALS:</u>				732.23	\$161,277

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$3,257.80
Performance bond:	1.05	Total =	\$1,693.41
Job superintendent:	250.00	Total =	\$18,262.50
Profit:	10.00	Total =	\$16,127.70
		TOTAL O & P =	\$39,341.41
		CONTRACT AMOUNT (direct + O & P) =	\$200,618.41

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	0.00	Total =	0.00
Engineering work and/or contract/bid preparation:	4.25	Total =	\$8,526.28
Reclamation management and/or administration:	5.00		\$10,030.92

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$57,898.61

TOTAL BOND AMOUNT (direct + indirect) = \$219,175.61

BOREHOLE SEALING WORKTask description: **Seal and Abandon Drill Holes**

Site: **2013-2014 Sunset Trail** Permit Action: **X201322801** Permit/Job#: **X201322801**
Exploration Drilling

PROJECT IDENTIFICATION

Task #: 001 State: Colorado Abbreviation: None
 Date: 11/21/2017 County: Gunnison Filename: X228-001
 8:20:11 AM
 User: JDM
 Agency or organization name: DRMS

UNIT COSTS

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Seal Holes SST1 through SST10	Portland cement grout (Bag, material cost only...94 lb. bag)	8.75	15241	3,182.00	bag	\$10.55	\$33,570.10
Plug Holes SST1 through SST10	PVC plug - 8 in. diameter borehole	8.75	NA	10.00	EA	\$74.16	\$741.60
Borehole Marker	Borehole location/identification marker (EA, material cost only)	NA	NA	10.00	EA	\$3.67	\$36.70
Cut SST1 through SST10 Casing	Exposed casing removal - Calculate Circumference in Linear Feet	8.75	23	146.00	LF	\$1.77	\$258.42
Drill Rig and Labor	SCHRAMM T450WS	NA	15241	125.00	EA	\$258.87	\$32,358.75
Water Truck	Water Tanker, 2,500 Gal.	NA	NA	125.00	EA	\$44.01	\$5,501.25

Job Hours: **125.00** Total Cost: **\$72,467.00**

BULLDOZER WORKTask description: **Regrade Drill Pads and Mud Pits**Site: **2013-2014 Sunset Trail**
Exploration DrillingPermit Action: **X201322801**Permit/Job#: **X201322801****PROJECT IDENTIFICATION**

Task #: **002** State: **Colorado** Abbreviation: **None**
 Date: **11/21/2017** County: **Gunnison** Filename: **X228-002**
8:26:03 AM
 User: **JDM**

Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**

Basic Machine: **Cat D6T XL**
 Horsepower: **185**
 Blade Type: **Semi-Universal**
 Attachment: **NA**
 Shift Basis: **1 per day**
 Data Source: **(CRG)**

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$46.87	NA
Operating Cost/Hour:	\$41.52	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.85	NA

Total unit Cost/Hour: **\$130.24**
 Total Fleet Cost/Hour: **\$130.24**

MATERIAL QUANTITIES

Initial Volume: **11,132**
 Swell factor: **1.125**
 Loose volume: **12,524 LCY**

Source of estimated volume: **Division of Reclamation, Mining & Safety**
 Source of estimated swell
 factor: **Cat Handbook**

HOURLY PRODUCTION

Average push distance: **50 feet**
 Unadjusted hourly
 production: **444.6 LCY/hr**

Materials consistency description: **Compacted fill or embankment 0.9**

Average push
 gradient: **0 %**
 Average site altitude: **9,800 feet**

Material weight: **2,650 lbs/LCY**

Weight description: Decomposed rock - 25% Rock, 75% Earth

<u>Job Condition</u>	<u>Correction Factor</u>	<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(CAT HB))
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3890

Adjusted unit
production: 172.95 LCY/hr

Adjusted fleet
production: **172.95** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.753/LCY

Total job time: **72.41** Hours

Total job cost: **\$9,430**

BULLDOZER WORKTask description: **Regrade Access Roads**

2013-2014 Sunset Trail
 Site: **Exploration Drilling** Permit Action: X201322801 Permit/Job#: X201322801

PROJECT IDENTIFICATION

Task #: 003 State: Colorado Abbreviation: None
 Date: 11/21/2017 County: Gunnison Filename: X228-003
 8:28:27 AM
 User: JDM
 Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D6T XL
 Horsepower: 185
 Blade Type: Semi-Universal
 Attachment: 3-shank ripper
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$46.87	NA
Operating Cost/Hour:	\$41.52	100
Ripper own.		
Cost/Hour:	\$3.40	NA
Ripper op. Cost/Hour:	\$2.00	100
Operator Cost/Hour:	\$41.85	NA
Total unit Cost/Hour:	\$135.64	
Total Fleet Cost/Hour:	\$135.64	

MATERIAL QUANTITIES

Initial Volume: 22,602
 Swell factor: 1.125
 Loose volume: **25,427** LCY

Source of estimated volume: Division of Reclamation, Mining & Safety
 Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Average push distance: 200 feet
 Unadjusted hourly production: 153.6 LCY/hr

Materials consistency description: Compacted fill or embankment 0.9

Average push gradient: 0 %
 Average site altitude: 9,800 feet
 Material weight: 2,650 lbs/LCY

Weight description: Decomposed rock - 25% Rock, 75% Earth

<u>Job Condition</u>	<u>Correction Factor</u>	<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(CAT HB))
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3890

Adjusted unit
production: 59.75 LCY/hr

Adjusted fleet
production: **59.75 LCY/hr**

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$2.270/LCY

Total job time: **425.56 Hours**
Total job cost: **\$57,721**

BULLDOZER WORKTask description: Replace Topsoil on Drill Pads and RoadsSite: 2013-2014 Sunset Trail
Exploration DrillingPermit Action: X201322801Permit/Job#: X201322801PROJECT IDENTIFICATION

Task #: 004 State: Colorado Abbreviation: None
 Date: 11/21/2017 County: Gunnison Filename: X228-004
8:29:37 AM
 User: JDM

Agency or organization name: DRMSHOURLY EQUIPMENT COST

Basic Machine: Cat D6T XL
 Horsepower: 185
 Blade Type: Semi-Universal
 Attachment: NA
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$46.87	NA
Operating Cost/Hour:	\$41.52	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.85	NA
Total unit Cost/Hour:	\$130.24	
Total Fleet Cost/Hour:	\$130.24	

MATERIAL QUANTITIES

Initial Volume: 22,489
 Swell factor: 1.000
 Loose volume: 22,489 LCY

Source of estimated volume: Division of Reclamation, Mining & Safety
 Source of estimated swell
 factor: Cat Handbook

HOURLY PRODUCTION

Average push distance: 100 feet
 Unadjusted hourly
 production: 303.3 LCY/hr

Materials consistency description: Partly consolidated stockpile 1.1

Average push
 gradient: 0 %
 Average site altitude: 9,800 feet
 Material weight: 1,600 lbs/LCY

Weight description: Top Soil

<u>Job Condition</u>	<u>Correction Factor</u>	<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(SSD-AC)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7877

Adjusted unit
production: 238.91 LCY/hr

Adjusted fleet
production: **238.91** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.545/LCY

Total job time: **94.13** Hours

Total job cost: **\$12,259**

REVEGETATION WORKTask description: **Reseed Drill Pads and Roads**Site: **2013-2014 Sunset Trail**
Exploration DrillingPermit Action: **X201322801**Permit/Job#: **X201322801****PROJECT IDENTIFICATION**Task #: **005**
Date: **11/21/2017**
8:30:34 AM
User: **JDM**State: **Colorado**
County: **Gunnison**Abbreviation: **None**
Filename: **X228-005**Agency or organization name: **DRMS****FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			Total Fertilizer Materials Cost/Acre	\$0.00

Application

Description	Cost /Acre
	\$
Total Fertilizer Application Cost/Acre	\$0.00

TILLING

Description	Cost /Acre
	\$
Total Tilling Cost/Acre	\$0.00

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Wildrye - Arlington or Elkton	5.00	17.22	\$32.50
Canby Bluegrass - Canbar	3.00	63.77	\$28.50
Mountain Brome - Bromar	4.00	6.43	\$17.40
Slender Wheatgrass - Pryor	3.00	10.95	\$9.06
Thickspike Wheatgrass - Critana	3.00	10.61	\$17.22
Totals Seed Mix	18.00	108.98	\$104.68

Application

Description	Cost /Acre
Broadcast seeding [DMG]	\$267.22
Total Seed Application Cost/Acre	\$267.22

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
Total Mulch Materials Cost/Acre				\$0.00

Application

Description	Cost /Acre
	\$
Total Mulch Application Cost/Acre	\$0.00

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
Totals Nursery Stock Cost / Acre					\$0.00

JOB TIME AND COST

No. of Acres:	13.94	Cost /Acre:	\$371.90
Estimated Failure Rate:	20%	Cost /Acre*:	\$371.90
*Selected Replanting Work Items:	SEEDING		

Initial Job Cost:	\$5,184.29
Reseeding Job Cost:	\$1,036.86
Total Job Cost:	\$6,221
Job Hours:	6.97

EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description: Mobilization and Demobilization

Site: 2013-2014 Sunset Trail Permit Action: X201322801 Permit/Job#: X201322801
Exploration Drilling

PROJECT IDENTIFICATION

Task #: 006 State: Colorado Abbreviation: None
Date: 11/21/2017 County: Gunnison Filename: X228-006
8:37:00 AM
User: JDM
Agency or organization name: DRMS

EQUIPMENT TRANSPORT RIG COST

Shift basis: 1 per day
Cost Data Source: CRG Data

Truck Tractor Description: GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED,
400 HP (2ND HALF, 2006)

Truck Trailer Description: GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT
TRAILER (25T, 50T, AND 100T)

Cost Breakdown:

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
Ownership Cost/Hour:	\$16.63	\$18.37	\$22.33
Operating Cost/Hour:	\$44.38	\$46.13	\$50.07
Operator Cost/Hour:	\$27.66	\$27.66	\$27.66
Helper Cost/Hour:	\$0.00	\$25.39	\$25.39
Total Unit Cost/Hour:	\$88.67	\$117.55	\$125.45

NON ROADABLE EQUIPMENT:

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Cat D6T XL	23.25	\$46.87	\$88.67	1	\$135.54	\$88.67	\$250.00
SCHRAMM T450WS	0.00	\$83.42	\$88.67	1	\$172.09	\$88.67	\$250.00

Subtotals: **\$307.63** **\$177.34** **\$500.00**

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Water Tanker, 2,500 Gal.	\$22.62	1	\$22.62	\$22.62

Subtotals: **\$22.62** **\$22.62**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: GRAND JUNCTION
Total one-way travel distance: 77.00 miles
Average Travel Speed: 50.00 mph

Total Non-Roadable Mob/Demob Cost * \$3,108.97
* two round trips with haul rig:

Total Roadable Mob/Demob Cost **
** one round trip, no haul rig: \$69.67

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	1.54	1.54
Return Time (Hours):	1.54	1.54
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	4.08	3.08

JOB TIME AND COST

Total job time: 8.16 Hours

Total job cost: \$3,179