

Surety Increase No. 2 (SI-2)

Proposed Decision

Roadside Mine PERMIT NUMBER C-1981-041



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

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Introduction

This document is the proposed decision of the Colorado Division of Reclamation, Mining and Safety (the Division) for Surety Increase No. 2 (SI-2) at the Roadside Mine, Division Permit No. C-1981-041. The package contains three parts. These include: 1) procedures and summary of the bond increase process; 2) observations and findings of the Division regarding compliance with the performance bond requirements of the Colorado Surface Coal Mining and Reclamation Act (Act) and regulations promulgated thereunder; and 3) the Division's proposed decision on the surety increase.

Detailed information about the review process can be found in the Act and the Regulations of the Colorado Mined Land Reclamation Board for Coal Mining (Rules). All Rules referenced within this document are contained within the Regulations. Detailed information about the mining and reclamation operations can be found in the permit application on file at on the Division's website (<https://drms.colorado.gov/>).

The Roadside Mine is an underground mine which is permitted and operated by Snowcap Coal Company, Inc. (SCC). The mine is located on federal and private lands within Mesa County, Colorado. The legal description of the lands included within the permit area is: T10S, R98W, 6th PM Sections 26, 34, and 35; T11S, R98W, 6th PM Section 2 all in Mesa County.

I. PROCEDURES AND SUMMARY OF THE INCREASE PROCESS

The Division has initiated this surety increase in order to ensure compliance with Rule 3.02.1, which requires a performance bond for all requirements of the Act, Rules, and the approved reclamation plan. Rule 3.02.1(3) requires the performance bond to cover land within the permit area upon which surface coal mining and reclamation operations are to be initiated and conducted. Rule 3.02.1(4) states that liability of the performance bond shall continue until the entire reclamation plan has been completed.

Rule 3.02.2(4) requires the Division to adjust the required performance bond as affected land acreages are increased or decreased or when the cost of future reclamation changes. Procedures for adjustment of the required performance bond include:

- (a) Notification of the permittee of any proposed bond adjustment, providing the permittee with an opportunity for an informal conference on the adjustment.

On August 13, 2024 the Division provided SCC notice of the proposed bond adjustment and provided an opportunity for SCC to request an informal conference. SCC did not request an informal conference.

- (b) Issuance of a written proposed decision by the Division to adjust the bond amount, publication of notice of the proposed decision in a newspaper of general circulation in the locality of the mining operation once a week for two weeks following issuance of the decision, and notification of the permittee the surety and any person with a property interest in the collateral who has requested notification.

This document serves as the written proposed decision. A publication of the notice of the proposed decision will be initiated.

- (c) An opportunity for a formal hearing pursuant to Rule 2.07.4(3);

II. OBSERVATIONS AND FINDINGS

On June 19, 2024 the Division conducted a Bond Compliance Inspection at the Roadside Mine. The purpose of the inspection was to compare the Division's bond held for the Roadside Mine with what is approved in the Permit Application Package and what was on the ground at the mine site. Following the inspection, the Division recalculated the bond for the Roadside Mine to reflect current on the ground conditions. During the inspection the Division observed ground conditions at the site to reflect the tasks bonded for under the last site wide reclamation cost estimate calculated during Permit Renewal No. 8. The Division recalculated the tasks from RN-8 to reflect inflationary increases.

The Division proposes to increase the reclamation liability for the Roadside Mine to \$76,229.00. The Current reclamation liability set for the site is \$48,812.00. The net increase in the reclamation liability is \$27,417.00. The Division currently holds a surety in the amount of \$65,702.24. Therefore, Snowcap Coal Company will be required to submit an additional \$10,526.76. The increase bond rider for SI-2 should be submitted within 30 days of the Division's first publication of the public notice.

III. PROPOSED DECISION

The Division proposes to approve SI-2 and increase the reclamation liability amount to \$76,229.00. Any person with a valid legal interest which might be adversely affected by this proposed decision may request a formal public hearing before the Mined Land Reclamation Board in accordance with Rule 3.03.2(4). Public notice of this proposed decision will be published twice in *The Daily Sentinel* as soon as possible. Requests for public hearing must be submitted to the Division in writing within thirty days of the first publication in *The Daily Sentinel*. The request must state with reasonable specificity the reasons for the request and the objections to the proposed decision. If no hearing is requested within that thirty days, the Division's decision will become final.