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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 6, 2000

David Miller, Resident Agent
Lodestar Energy, Inc.
HC 35 Box 370
Helper, Utah 84526

Re: Findings for Minor Coal Exploration Section 30, Lodestar Energy, Inc., White Oak Mine,
C/007/001-EX00E, Outgoing File

Dear Mr. Miller:

The above referenced exploration application has been reviewed and there are deficiencies that must be adequately addressed prior to approval. A copy of our Analysis and Findings is enclosed for your information. Please respond to these deficiencies by January 31, 2001 or the Division will return your application.

If you have any questions, please call me.

Sincerely,

Daron R. Haddock
Permit Supervisor

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Enclosure:
cc: Price Field Office
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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

White Oak Mine
Minor Coal Exploration
C/007/001 - EX00E
Analysis & Findings
December 6, 2000

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INTRODUCTION

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White Oak Mining and Construction, Inc., is proposing to drill two exploration holes within the Boardinghouse Canyon drainage located in SW 1/4 Section 30, T13S., R7E. The application was received at the Division office on November 15, 2000. Exploration holes P01-30-7 and P01-30-8 will be drilled on private land owned by Mr. Milton Oman. The coal is fee coal owned by White Oak Mining & Construction, Inc.

The primary purpose of boreholes P01-30-7 and P01-30-8 is to provide geologic information from the upper and lower O'Connor coal seams. Prior to abandonment of the holes, it will be determined whether either hole will be developed as monitoring well.

Information found in the proposal is not considered adequate to meet the requirements for Coal Exploration Approval. The permittee should make the requisite changes to the proposal as necessary and resubmit the proposal to meet the requirements for Coal Exploration Approval.

INTRODUCTION

SUMMARY OF OUTSTANDING DEFICIENCIES

SUMMARY OF OUTSTANDING DEFICIENCIES

The Technical Analysis regarding the Notice of Intention to Conduct Minor Coal Exploration can not be completed at this time. To address deficiencies in the Notice of Intention, additional information is requested of the Permittee and will require further review by the Division. An itemized list of the deficiencies is below. Explanatory comments and details of concern will be found within the text of this Draft Technical Analysis.

Upon finalization of this review, any outstanding deficiencies may become conditions of the approval issued by the Division or may result in denial of the Notice of Intention to Conduct Minor Coal Exploration.

Accordingly, the permittee must address those deficiencies found within this Draft Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

- R645-200-210, Address the access through Madsen' or Otani' property. 6
- R645-201-223, The Legal Description of borehole P01-30-8, as described on Page 4
needs to be corrected to reflect Section 30 (currently states Section 8). 6
- R645-201-223, The road access to the drill sites needs to be defined in detail. 6
- R645-201-225, provide a cost estimate for reclamation of the proposed exploration
activities. 6
- R645-202-232, A map showing all road access, classification of roads, and road
improvements needs to be provided. 7
- R645-202-241, (page 19) references 4 boreholes as opposed to the proposed two drill
holes. This hole discrepancy needs clarification. 9
- R645-202-242.100, Change the seed mixture to reflect recommendations made by the
Division. 9

SUMMARY OF OUTSTANDING DEFICIENCIES

MINOR COAL EXPLORATION

COAL EXPLORATION

Regulatory Reference: R645-200.

SCOPE AND RESPONSIBILITIES

Regulatory Reference: 30 CFR 772.1; 30 CFR 772.10; 30 CFR 772.11; R645-100-400; R645-200-100; R645-200-200; R645-201-100.

Analysis:

Minor Coal Exploration

The exploration process will implement the drilling of two boreholes to determine the chemical and physical coal characteristics of the "O'Connor" seam strata at the chosen location. Less than 250 tons of coal will be removed as a result of this exploration activity. The area proposed for drilling is not on 'lands designated unsuitable' for exploration, but does 'substantially disturb the land surface due to mud pit, drill pad, and possible road construction. The submittal received November 15, 2000, qualifies a minor coal exploration application.

Findings:

Relative to R645-200-122, -202-200, this amendment qualifies as a minor coal exploration amendment.

REQUIREMENTS FOR NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION

Regulatory Reference: 30 CFR 772.10; 30 CFR 772.11; R645-100-412; R645-201-200

Analysis:

The applicant has addressed the requirements of R645-201-200 et al. with regard to names and addresses of applicant, the authorized representative of same, the exploration time period, method of exploration, and the methods used to negate adverse environmental impacts to the area. A typographic error was noted in the description and location of the exploration area as described on Page 4 in the 'Legal Description' table.

No roads, either described or visually shown, were included with the Notice of Intent. Based on USGS 1:24,000 map coverage, it is assumed the sites will be accessed via SR 96, south to an existing unimproved road in Boardinghouse Canyon, west up Boardinghouse Canyon to approximately 800 ft southwest of borehole P01-30-7.

To protect the area from adverse impacts the permittee commits to minimize both new road and drill construction, use adequately-sized mud pits, and control site drainage with berms, straw bales, and/or silt fencing.

In an effort to demonstrate practices that will be followed to protect the area from adverse impact of the exploration activities, the permittee must provide a detailed estimate of the cost of reclamation for the proposed exploration. The exploration reclamation estimate should include appropriate calculations and costs for recontouring, seeding, mulching or fertilizing, and contingency factor.

Findings:

R645-201-223, The Legal Description of borehole P01-30-8, as described on Page 4 needs to be corrected to reflect Section 30 (currently states Section 8).

R645-201-223, The road access to the drill sites needs to be defined in detail.

R645-201-225, provide a cost estimate for reclamation of the proposed exploration activities.

COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

PERFORMANCE STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-100; -202-200

Analysis:

Responsibilities for Coal Exploration Plan Review

The two boreholes described in this minor coal exploration will be drilled on land whose surface ownership is held by Mr. Milton Oman. Although access has not been identified, it is assumed access will come from Boardinghouse Canyon. The applicant needs to demonstrate a road easement or right-of-way through either Ms. Della Madsens' or Mr. Jack Otanis' property.

Findings:

R645-200-210, Address the access through Madsen' or Otani' property.

OPERATIONAL STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-100; -202-200

MINOR COAL EXPLORATION

Analysis:

Biology

There are no known threatened or endangered species within the designated area of exploration. T&E evaluations included consultations under the Utah natural Heritage Program and discussions with local botanists of both the BLM and USDA-Forest Service. The North fork of Boardinghouse Creek is located approximately 800 ft. downslope of both drill sites and is listed as an intermittent stream. The main Fork of Boardinghouse Creek is another 2000 ft. (approximately) downstream and is listed as a perennial stream. Water for the drilling will be pumped from local springs or streams but not without prior written permission of the owner of the water rights. The written permission for water use will need to be available upon request at the drill site. An estimated total of 10,000 gallons per borehole will be needed. As long as the exploration does not extend into the Spring nesting season there will be no concerns as related to raptor nesting in the area.

Findings:

The permittee has addressed the minimum regulatory requirements of R645-202-230 and -202-231.

Roads

No access roads to the drill sites were included in the plan, which is necessary to evaluate the permit. It is anticipated that construction of approximately 1800 ft. of ancillary road will needed to access the two borehole sites. No drainage crossings are anticipated in the ancillary road construction. Actual road construction should be held to a minimum to minimize reclamation. The road maintenance and reclamation plans may need to be altered dependant on whether either of the boreholes will remain as groundwater monitoring sites.

The permittee has committed to maintain, construct, and reclaim all roads to a condition consistent with State Regulations R645-202-232 and R645-202-240.

Findings:

R645-202-232, A map showing all road access, classification of roads, and road improvements needs to be provided.

Topsoil

The permittee has committed that 'Topsoil, if any, will be separated from poorer quality soils, removed and stored until exploration activities are complete. At reclamation of the pad and road, all stored topsoil, if any, will be redistributed over areas that were disturbed (pg. 13).'

Findings:

This submittal adequately addresses the requirements of R645-202-233.

Diversions of Overland flows and streams

It is anticipated that no diversions will be necessary for the duration of this project. The nearest perennial stream is Boardinghouse Creek which is located approximately 2800 ft downstream. If necessary the permittee commits to divert water in accordance with R645-301-742.300

Findings:

This submittal adequately addresses the requirements of R645-202-234.

Hydrologic Balance

The proposed exploration activities poses minimal impacts to the hydrologic balance. This application commits the permittee to maintain all sediment controls until the reclamation of the sites has been complete.

Findings:

This submittal adequately addresses the requirements of R645-202-235 and R645-301-356.300 through - 301-356.400.

Acid- or toxic forming materials

This regulation has been addressed by the permittee committing to adhere to State Regulations R645-301-731.100 through R645-301-731.122. Any fuel spill contamination will be contained, collected and disposed of, off property, in an approved manner (page 19).

Findings:

The submittal meets the minimum regulatory requirements for R645-202-236.

RECLAMATION STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-200;

Analysis:

MINOR COAL EXPLORATION

Approximate original contour

Page 19 through 21 of the submittal commits to returning the drill pad to the contour configuration existing prior to the exploration activity in a timely manner. This will be achieved by the commitment to backfill mud pits, scarify and re-seed the area to the same seasonal native variety, remove trash and debris, and control erosion with vegetative cover.

Findings:

R645-202-241, (page 19) references 4 boreholes as opposed to the proposed two drill holes. This hole discrepancy needs clarification.

Revegetation

Page 19 and 20 of the submittal commits to conform to State Regulations R645-202-242. The seed mixture table (page 20) is not the prescribed mixture for the area as recommended by Division biologist Paul Baker.

Findings:

R645-202-242.100, Change the seed mixture to reflect recommendations made by the Division.

Boreholes

The submittal commits to plugging **all** exploration holes with cement for their entire depth upon completion of the drilling and geologic logging activities unless requested as a Groundwater monitoring well by the Division. This will be performed by the licensed driller.

Findings:

The submittal meets the minimum regulatory requirements of the R645-202-243. The application cites State Regulation R645-202-245 (page 20) which does not exist. The correct reference is R645-202-243.

Facilities and Equipment

The submittal commits to removing all drilling equipment from all sites and reclaiming as per State Regulations R645-202-244 (pg.21).

Findings:

The minimum regulatory requirements for R645-202-244, -244.100, -244.200, and -244.300 have been met..

PUBLIC AVAILABILITY OF INFORMATION

Regulatory Reference: 30 CFR 772.15;R645-203.

Analysis:

No written request has been made by the applicant to keep any portions of the submittal confidential. The entire document will be made available for public review.

Findings:

The entire document will be made available for public review.

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