United States Department of the Interior
OFFICE OF SURFACE MINING
Reclamation and Enforcement
BROOKS TOWERS
1020 15TH STREET
DENVER, COLORADO 80202

OCT 19 1984

RECEIVED

OCT 22 1984

DIVISION OF OIL
GAS & MINING

CERTIFIED MAIL: RETURN RECEIPT REQUESTED

Mr. Gordon Cook
Executive Vice President
Price River Coal Company
P.O. Box 629
Helper, Utah 84525

Dear Mr. Cook:

Enclosed is the Price River Mine Complex permit with conditions. This permit will become effective only when the Office of Surface Mining (OSM) has received a copy of this permit signed and dated by the permittee. OSM has received a copy of the bond filed with the Utah Division of Oil, Gas and Mining (UDOGM) for the amount of $2,532,857.00 as required by OSM and UDOGM.

Please read the permit to be sure you understand the requirements and conditions. The five year permit term will begin on the date of the permittee's signature. Pursuant to 30 CFR 775.11, Price River Coal Company will have 30 days from the date of official notification publication of the permit decision to appeal the Director's decision on the application.

Enclosed is a copy of the newspaper notice that UDOGM will send to the Sun Advocate, Carbon County, Utah, to be published as soon as possible. When published, this notice will constitute official notification of our action. Any person with an interest which is or may be adversely affected may request a hearing on the reasons for the final decision within 30 days from the date that notice is published.

Regarding permit condition No. 11, the U.S. Fish and Wildlife Service has determined that Price River Coal Company must participate in the study program "Recovery of Endangered Fishes of the Upper Colorado River Basin." The extent of this participation is a one-time contribution of $641.00 to the study program based on surface-water depletion. This has been discussed with Mr. Rob Wiley of your staff on several occasions.

Orig Mine file
cc P. Nichols
[illegible]

The permit has been provided in duplicate, so you can retain one copy with original signatures and return one copy with original signatures to us as an expressed acknowledgement that you have read and understood it. A copy of the complete decision package has been requested and will be sent to you once OSM receives a copy of the signed permit.

The Assistant Secretary for Land and Minerals Management approved the mining plan on October 5, 1984. The enclosed permit has been determined to be consistent with this plan.

If you have any questions, please feel free to call either Walter Swain at (303) 844-3806 or me at (303)844-5656.

Sincerely,

Richard E. Dawes

Allen D. Klein
Administrator
Western Technical Center

Enclosures

cc: Mr. Jackson Moffit
Bureau of Land Management, (MMS)
Utah State Office
136 East South Temple
Salt Lake City, Utah 84111

Mr. Gene Nodine
Bureau of Land Management - Moab District
P. O. Box 970
Moab, Utah 84532

Dr. Dianne Nielson
Utah Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Mr. Robert Hagen
Albuquerque Field Office
219 Central Avenue
Albuquerque, New Mexico 87102

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING

This permit, UT-0007, which incorporates Utah Permit ACT/007/004, is issued for the United States of America by the Office of Surface Mining (OSM) to:

Price River Coal Company
P.O. Box 629
Helper, Utah 84526

for the Price River Mine Complex. The Price River Coal Company serves as the designated operator on Federal, State and county coal leases obtained by Blackhawk Coal Company as well as fee land owned by Blackhawk. Federal leases include: U-25484, U-25485, U-058184, U-019524, SL-029093-046653, SL-046652, U-0148779, SL-071737, SL-048442-050115, U-0146345 and U-25683. State leases include: ML-11940, ML-18184, ML-13681, and ML-1892. This permit is not valid until (1) a performance bond is filed with the Office of Surface Mining in the amount of $2,532,857.00 payable to the United States of America and the State of Utah and (2) the OSM has received a copy of this permit signed and dated by the permittee.

Sec. 1

Statutes and Regulations. This permit is issued pursuant to the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. 1201 et seq., hereafter referred to as the Act; and the Federal coal leases issued pursuant to the Mineral Leasing Act of February 15, 1920, as amended, 30 U.S.C. 181 et seq.; the Federal Coal Leasing Amendments Act of 1976, as amended, 30 USC 201 et seq.; and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of September 7, 1947, as amended, 30 U.S.C. 351 et seq. This permit is also subject to all regulations of the Secretary of the Interior, including, but not limited to, 30 CFR Chapter VII and 43 CFR 3400, and to all regulations of the Secretary of Energy promulgated pursuant to Section 302 of the Department of Energy Organization Act of 1977, 42 U.S.C. 7152 et seq., which are now in force or, except as expressly limited herein, hereafter in force, and all such regulations are made a part hereof.

Sec. 2

The permittee is authorized to conduct surface coal mining and reclamation operations on federal lands as shown on ownership maps in the mining plan (within the permit area as shown in Attachment 1) at the Price River Mine Complex situated in the State of Utah, Carbon County, and located in:

> T. 12 S., R. 9 E., sec. 26, 27, 28, 31, 32, 33, and 34; portions of sec. 22 and 36; sec. 25, SW 1/4; sec. 29, all except N 1/2 NW 1/4 and NW 1/4 NE 1/4; sec. 30, all except N 1/2 NW 1/4 and N 1/2 NE 1/4; and sec 35, N 1/2;
>
> T. 13 S., R. 9 E., portions of sec. 1, 2, 3, 4, 5, 6, 8, 9, and 16; sec. 10 N 1/2;
>
> T. 12 S., R. 10 E., portions of sec. 31;
>
> T. 13 S., R. 10 E., portions of sec. 6, 10, and 16;

Carbon County, Utah; and to conduct surface and reclamation operations connected with mining on the foregoing described property subject to the conditions of the lease, the approved mining plan, Utah State permit ACT/007/004, including all conditions, and all other applicable conditions, laws, and regulations. The Crandall Canyon surface facilities area, included within the permit area, has not been specifically addressed in this permit approval and has been approved under a separate action.

Sec. 3

This permit is issued for a term of five years commencing on the date the permit is signed by the permittee, except that this permit will terminate if the permittee has not begun the surface coal-mining and reclamation operations covered herein within three years of the date of issuance.

Sec. 4

The permit rights may not be transferred, assigned, or sold without the approval of the Director, OSM. Request for transfer, assignment, or sale of permit rights must be done in accordance with 30 CFR 740.13(e).

Sec. 5

The permittee shall allow the authorized representatives of the Secretary, and the Utah Division of Oil, Gas and Mining, including, but not limited to, inspectors and fee compliance officers without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

a. Have the rights-of-entry provided for in 30 CFR 840.12 and 842.13; and,

b. Be accompanied by private persons for the purpose of conducting an inspection in accordance with 30 CFR 842, when the inspection is in response to an alleged violation reported by a private person.

Sec. 6

The permittee shall conduct surface coal mining and reclamation operations only on those lands specifically designated as being within the permit area as shown on maps submitted in the mining plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 7

The permittee shall minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of this permit, including, but not limited to:

a. Accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;

b. Immediate implementation of measures necessary to comply; and

c. Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 8

The permittee shall dispose of solids, sludge, filter backwash, or pollutants removed in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah regulatory program and the Federal Lands Program which prevents violation of any applicable State or Federal law.

Sec. 9

The permittee shall conduct its operations:

a. In accordance with the terms of the permit to prevent significant, imminent, environmental harm to the health and safety of the public; and

b. Utilizing methods specified as conditions of the permit by the Utah Division of Oil, Gas and Mining and OSM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah regulatory program, and the Federal Lands Program.

Sec. 10

The permittee shall provide the names, addresses, and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 11

The permittee shall comply with the provisions of the Water Pollution Control Act (33 U.S.C. 1151 et seq.) and the Clean Air Act (42 U.S.C. 7401 et seq.).

Sec. 12

Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah regulatory program and the Federal Lands Program.

Sec. 13

If, during the course of mining operations, previously unidentified cultural resources are discovered, the applicant shall ensure that the site(s) is(are) not disturbed and shall notify the State Regulatory Authority (RA) and OSM. The State RA, after coordination with OSM, shall inform the operator of necessary actions required.

Sec. 14

The operator shall pay all reclamation fees required by 30 CFR Chapter VII, Subchapter R for coal produced under this permit.

Sec. 15: Appeals

The permittee shall have the right to appeal: (a) under 30 CFR 775, action or decision of any official of OSM; (b) under 43 CFR 3000.4, the action or decision of any official of the Bureau of Land Management; (c) under 30 CFR 290, the action, order, or decision of any official of the Bureau of Land Management (formerly the Minerals Management Service); or (d) under applicable regulations, the action or decision of any other official of the Department of the Interior arising in connection with this permit decision.

Sec. 16: Special Conditions

In addition to the general obligations and performance requirements set out in the leases, Utah State permit ACT/007/004, and this permit, the permittee shall comply with the special conditions contained in Attachment II.

These conditions are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the leases. The permittee shall require his agents, contractors, and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the grantor and the permittee at any time to adjust to changed conditions or to correct an oversight. The grantor may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new Federal or State statutes and any new regulations.

THE UNITED STATES OF AMERICA

By: _____ Date: _____ Signed 10/19/84

I certify that I have read and understand the requirements of this permit and special conditions that are a part of it.

By: _____ Date: _____
Authorized Representative of the Permittee

Signed 11/28/84

ATTACHMENT I

Price River Mine Complex
Permit Area Maps

ATTACHMENT II

State and Federal Special Conditions
Proposed Decision
Price River Mine Complex

Condition No. 1

The applicant must provide a plan to sample refuse materials prior to placement of soil material to determine the absence of acid- or toxic-forming materials. The plan must include proposed analyses and a physical sampling plan and must be submitted to OSM and UDOGM within ninety (90) days of permit approval.

Condition No. 2

The applicant shall either complete reclamation of Goose Island by August 31, 1985, and Hardscrabble Canyon and Sowbelly Gulch by December 31, 1986; or complete installation of culverts specified below according to design approved by OSM by August 31, 1985 at Goose Island and by December 31, 1986 in Hardscrabble Canyon and Sowbelly Gulch. Designs for the new culverts (structures) shall be submitted to the regulatory authority for approval within ninety (90) days of permit approval. The specific structures included are: culverts 1 (including diversions D-1, D-4, and D-6) and 4 in Hardscrabble Canyon (including Goose Island); and culverts 3 and 10 in Sowbelly Gulch.

Condition No. 3

The applicant shall revise the small area exemption request to reflect additional sediment control proposals for the Sowbelly Gulch and Hardscrabble Canyon facility areas within thirty (30) days of permit approval.

Condition No. 4 -

The applicant must submit a plan to evaluate the sources of oil and grease at all surface facilities and to control leakage in the surface-water system within sixty (60) days after permit approval.

Condition No. 5

The applicant shall demonstrate with design drawings that uncontrolled overland flows will not enter the raw water pond along the below-grade portions of the north and east perimeters of the pond. The drawings must be submitted to the regulatory authority within thirty (30) days of permit approval.

Condition No. 6

The applicant shall comply with and meet the requirements contained in the Hydrology Monitoring Plan of the Technical and Environmental Assessment.

Condition No. 7

At such time that OSM, in consultation with the Division of Oil, Gas and Mining and the SHPO, determines that subsidence within the permit area may adversely affect known or unrecorded cultural sites, additional cultural resources studies may be required. This determination will be based on new subsidence and/or cultural resource information, and clear justification will be presented to the applicant.

Condition No. 8

Prior to any additional disturbance, the operator must conduct adequate raptor surveys. The applicant must contact the U. S. Fish and Wildlife Service for guidance on proper raptor survey techniques. Results of the surveys shall be submitted to the regulatory authority for approval.

Condition No. 9

Within ninety (90) days of permit approval, the applicant must submit a permanent portal-sealing plan for approval by the regulatory authority. The applicant must also notify the Bureau of Land Management to arrange for on-site inspections and reviews between management and personnel from the Branch of Solid Minerals at least ninety (90) days prior to the proposed closing date of any portal.

Condition No. 10

The applicant shall comply with applicable federal, state and local laws, rules, and regulations which impose duties with regard to socioeconomic analyses and/or mitigation plans that are required to be submitted prior to project expansion. Such analyses and plans shall be developed and implemented in consulation with affected local governments, the Utah State Department of Community and Economic Development (UDCED) and OSM. In order to determine when such plans and analyses should be submitted, the applicant shall submit on an annual basis to OSM, Carbon County and the UDCED an update of its current and projected workforce figures.

Condition No. 11

The applicant shall participate in the U.S. Fish and Wildlife Service study program "Recovery of Endangered Fishes of the Upper Colorado River Basin", as as determined necessary by the Service.

Attachment III

HYDROLOGY-MONITORING PLAN

Introduction

The hydrology-monitoring plan is necessary in the area of the Price River Mine Complex to ensure that the mining and reclamation plan has been developed to minimize hydrogeologic impacts both on-site and off-site and to verify anticipated impacts. The principal elements of the plan outlined herein are a compilation of suggestions proposed by the applicant coupled with concerns of the Office of Surface Mining (OSM) and the Utah Division of Oil, Gas and Mining (UDOGM).

The hydrology-monitoring results will be reported on a quarterly basis, combining both ground- and surface-water monitoring results and contain the maps and other parts as required by each section. Annually, in the fourth quarterly report, the applicant will provide a summary discussion of the quantity, quality, and geologic sources of water encountered (channel sandstone, joint, fault).

Stations to be monitored are identified on Plate 1: Ground and Surface-water Monitoring Stations, attached to the September 21, 1983 letter from Vaughn Hansen Associates to the Price River Coal Company. The stations are identified as: B-22, BM-29, BM-30, BM-31, and BM-32 for the ground-water stations; and B-3, B-27, B-5, B-6, B-11, B-12, B-17, B-28, B-25, and B-26 for the surface-water stations.

Ground Water Monitoring - In-mine Flows

The quarterly report will include a map of all points and/or areas of defined measurable flow (greater than 3 gpm) away from the working face, as well as an indication of the geologic source of the flow (channel sandstone, fault, fracture, joint, etc.). The report should note seepage areas in the mine that cannot measured. The map will also show the location of sumps used to collect water. The fourth quarterly report will contain a discussion of the quantity, quality, and source of water encountered with a comparison of observed inflow rates with those projected in the mine plan submittals dated May 1983 and September 21, 1983.

Quarterly flow, field, and laboratory water quality parameters will be measured. Field water quality measurements, at a minimum, will include: electrical conductance at 25° C, pH and temperature. The laboratory parameters to be measured will be sodium, potassium, calcium, magnesium, iron, chloride, bicarbonate, sulfate, carbonate, pH, and total dissolved solids. A mass balance table of the major cations and anions in milliequivalents per liter will be required for each analysis.

If the number of measuring points becomes excessive, a request to abandon some of the monitoring points may be made to the regulatory authority. In addition to the in-mine monitoring, the applicant must provide, in the annual summary, a quantified estimate of all ground water consumption (evaporation and other losses) and transfers of water in and out of the mine.

Springs, Abandoned Mine Discharge Stations and Surface-Water Stations

The springs, abandoned mine discharge points, and surface-water stations identified earlier will be monitored four times annually, to reflect seasonal variation: first thaw, spring high-flow, end of summer low-flow, and, as the last sample, before freeze-up.

Sampling will include field and laboratory analysis. The field analysis will consist of, at a minimum, flow rate, temperature, electrical conductance at 25°C, and pH. The laboratory analysis will be for total suspended solids, total dissolved solids, oil and grease, sulfate, bicarbonate, magnesium, chloride, potassium, sodium, calcium, and iron. A mass balance table of the major cations and anions, in milliequivalents per liter will be required for each analysis.

Biannually, collected samples will be analyzed for trace metals.

U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT

NOTICE OF A DECISION AND AVAILABILITY
OF TECHNICAL AND ENVIRONMENTAL ASSESSMENT FOR:

PRICE RIVER COAL COMPANY
PERMANENT PROGRAM PERMIT
PRICE RIVER MINE COMPLEX
CARBON COUNTY, UTAH

The United States Department of the Interior, Office of Surface Mining Reclamation and Enforcement (OSM), has approved, with conditions, a five-year permit for the Price River Coal Company to continue mining coal at its Price River Mine Complex.

The Price River underground coal mine is located in central Carbon County, Utah, ten miles north of Price, Utah. The proposed permit area will cover 8510 acres. Maximum mine production will approach 6.5 million tons per year. The life-of-the-mine operation is expected to be 35 to 100 years, depending on market conditions and development of extraction technology.

Any person with an interest that is or may be adversely affected by this Federal permit approval action may request a hearing on the final decision within (thirty) 30 days after publication of this notice in accordance with Section 514(c) of the Surface Mining Control and Reclamation Act (SMCRA). Any hearing will be governed by the provinces of 5 U.S.C. Section 554, and the request for the hearing to review the OSM decision should be submitted to:

Hearings Division
Office of Hearings and Appeals
U. S. Department of the Interior
4015 Wilson Boulevard
Arlington, VA 22203

Pursuant to 40 CFR Sections 1501.4(b), (c) and (e) and 1506.6, notice is hereby given that OSM and the Utah Division of Oil, Gas and Mining have completed a Technical and Environmental Assessment (TEA) and Finding of No Significant Impact (FONSI) for the mining and reclamation plan for the Price River Mine Complex, Carbon County, Utah. OSM's recommendation to approve the Price River Coal Company's mining plan and permit application with conditions is in accordance with Sections 510 and 523 of SMCRA. OSM has determined that no significant environmental impacts would result from such approval.

The permit application package, Technical and Environmental Assessment, and Finding of No Significant Impact are available for review at the following locations:

Office of County Recorder
Carbon County Courthouse
Price, Utah 84501

Utah Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Office of Surface Mining
Western Technical Center
Brooks Towers
1020 Fifteenth Street
Denver, Colorado 80202