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DEPARTMENT OF HEALTH
DIVISION OF ENVIRONMENTAL HEALTH

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*orig name file
note to Robertson
cc: S. Lowrey LB*

RECEIVED
JUN 09 1989

DIVISION OF
OIL, GAS & MINING

June 2, 1989

James Buck
Amex Coal Industries
251 North Illinois Street
P.O. Box 967
Indianapolis, IN 46206-0967

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Re: Financial Responsibility requirements
under UIC Class V Permit No. UTU500001

Dear Mr. Buck:

The Bureau of Water Pollution Control has received verification that the reclamation bond held by the Division of Oil, Gas and Mining is sufficient to cover the \$4,000.00 estimated plugging cost of the injection and extraction well authorized in the referenced permit issued May 10, 1989. The estimated plugging cost will be included in the current bond and any future ones. The bond held by Division of Oil, Gas and Mining satisfies the UIC permit requirements for financial responsibility. Also, the \$4,000.00 estimated cost of plugging is a good estimate of the current cost as confirmed by contractors. Any wells added to the current number (two wells currently exist-one for injection and one for extraction) will require proof of financial responsibility for each. This could require possible additions to the bond.

I would like to take this opportunity to remind you of several requirements in the permit that need a response in the next month.

Part II E(h) requires the permittee report to the Executive Secretary within thirty (30) days of receipt of the permit that the permit has been read and understood. This report should be submitted by June 9, 1989.

Another report required by Part III A 3(d) is the Sampling Quality Assurance Plan. This report is required thirty (30) days after effective date of the permit (June 9, 1989). This plan should be based on or consistent with the UIC Quality Assurance Plan. A copy of this plan is enclosed.

James Buck
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The partial "As Built" report for the injection well was received on May 17, 1989. When the mine reopens the complete "As Built" report as described in your letter of May 16, 1989 will be required.

As Castle Gate Coal will stop operation for an undetermined period of time, this interruption will create two conditions of which you should be aware. First, the permit requires quarterly reports on injectate volume and injectate quality (Part II E 11(e)). These reports should be submitted indicating that no injection occurred during the quarter.

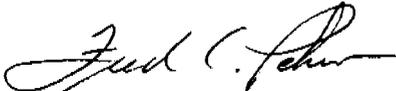
The second condition is in Part III D5. Under this requirement, the permittee must justify keeping an injection well open after it has been inactive for two (2) years. Although the permittee may not be required to plug the well, the permittee must complete the two actions required in Part III D5 (a and b).

I feel that notice should be taken of these permit conditions in order to prevent compliance problems in the future, should the cessation of operations extend beyond two (2) years.

I hope the enclosed material and the notes are useful to you in completing the requirements for your permit. Please don't hesitate to call me at 538-6146 if I can be of further service to you.

Sincerely,

Utah Water Pollution Control Committee


Don A. Ostler, P.E.
Executive Secretary

RB:kc

cc: DOGM
EPA, Region VIII
Local Health Dept.
0790-2