

0002

AMAX COAL COMPANY

A Subsidiary of AMAX Coal Industries, Inc.

ACT/007/004
12/28/92
aug mine fee
S Demczak
R Daniels
T Helfrich
ORR



December 22, 1992

BELLE AYR MINE

Ms. Dianne Nielson
Utah Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

RECEIVED

DEC 28 1992

DIVISION OF
OIL, GAS & MINING

Dear Dianne:

Pursuant to our hearing last Friday in which you requested more information of the chronology of events at the Castle Gate Refuse Pile, I have assembled a list of events which are relevant to this case.

May 1, 1992: The initial permit revision package for the Castle Gate Preparation Plant Area was submitted to the Division for review. This package contained information primarily addressing reclamation plans including the refuse pile.

May 28, 1992: DOGM letter from Daron and Sharon to AMAX which identifies deficiencies with School House Canyon diversion designs submitted in the May 1 package.

June 11, 1992: DOGM letter to AMAX from Daron which identifies as-built design deficiencies of the School House Canyon diversions. This document is a review of construction which took place in 1991. Sharon postponed her review of this material because she knew that AMAX was submitting new designs which would address her concerns about the refuse pile drainage system during the operational time period and permanent reclamation.

July 13, 1992: AMAX submits a permit revision which addresses the June 11, 1992 letter by Daron that outlines deficiencies in the as-built designs. This submittal incorrectly designed the temporary diversion ditches to a 10 year/6 hour storm event for the refuse pile when they should have been designed to a 100 year/6 hour event.

July 27 & 28, 1992: Monthly inspection by Steve Demczak notes erosion at the refuse pile drainage ditch. Steve and I discuss the matter as to maintaining the ditch. The MRP which is under Division Order contains a design which used 10 year/24 hour storm event as the design criteria. At this point AMAX has no approved design criteria to use to maintain the ditch. After this inspection, I instructed EarthFax to incorporate a design in the next Castle Gate Submittal which would use a pipe culvert downdrain during the operational phase to convey the water instead of the eroded riprap ditch called CGD7.

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September 8, 1992: AMAX submits a permit revision package which addresses comments received from the review of the May 1 submittal and the Division Order. My cover letter dated September 2, 1992 which transmitted this submittal notes that this submittal contains designs for pipe downdrains which will be used to control erosion during the operational phase of the refuse pile. My letter also states that these designs are being submitted to alleviate the concerns of the Division pointed out during inspections. I point this out because it shows that AMAX is aware of the problem and is proposing a solution to maintain the ditch.

September 15 & 16, 1992: Inspection by Steve Demczak after which he writes NOV 92-39-7-1 for failure to maintain diversion to performance standards. Writing an NOV at this time seems very arbitrary and capricious since the Division has ordered AMAX to revise the plan because it does not meet the requirements of the regulations. At this point what design should AMAX maintain? Steve did not know the answer to this question either.

September 25, 1992: Letter by Daron denying approval of the Revision based on Sharons review of the September 8, 1992 submittal.

October 13, 1992: AMAX receives a quotation from Siaperas Construction to repair the eroded refuse pile ditch. However, AMAX cannot proceed because it does not have an approved plan. I enclosed a copy of this Quotation.

October 19, 1992: AMAX issues a Purchase Order to repair ditch CGD7. The contractor is told he must wait to start repairs until the plans are approved by DOGM. A copy of this P.O. is also enclosed.

October 20, 1992: EarthFax and DOGM staff met to discuss the Schoolhouse Canyon hydrology.

November 10, 1992: A permit revision was delivered to the Division which addressed the deficiencies in the September 25, 1992 denial letter. The major concerns addressed were the use of the correct storm event, riprap and filter blanket gradation designs.

December 1, 1992: Bill Hendrickson of EarthFax and Rick Summers converse over the phone concerning documentation for riprap thickness design for CGD7. Bill and Rick agree to search for thickness design calculation documentation.

December 9, 1992: Bill and Rick agree to use the Simmons/OSM steep slope design for riprap calculation documentation. This design will be used for the refuse pile ditch CGD7.

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December 16, 1992: EarthFax delivers supplemental information to the Division using the Simmons/OSM method so that Rick can finish his review.

My motion to vacate this violation is based on the fact that AMAX would have maintained the ditch as noted in the July inspection except for the fact that there was no approved design to maintain as a standard. This is documented above by AMAX trying to pursue a course of action which is attempting to establish a design which meets performance standards. With no design standard to maintain, no violation can exist.

Seasons Greetings to you and the staff.

Sincerely,



Richard H. Allison, Jr. P.E.
Project Supervisor

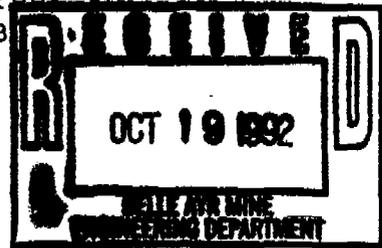
RHA:vsn
CG041

cc: Phil Dinsmoor
Steve Laird
George Womack

Attachments

QUOTATION

From SIAPERAS CONSTRUCTION, INC.
 6135 East North Coal Creek Rd
 Price, Utah 84501-7508
 (801) 637-5863

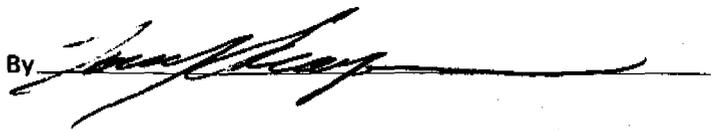


To ATTENTION: Richard Allison
 Amax Coal Co.
 PO Box 3005
 Gillette, WY 82717-3005

No. _____
 Date Oct 13, 1992
 Your No. _____
 Your Due Date _____
 Terms _____
 Prices quoted are
 F.O.B. _____
 Delivery _____

We are pleased to quote as follows:

Quantity	Description	Price	Unit	Amount
	Furnish and install 24" culvert	22.00	ft	
	1 end section	750.00	ea	750.00
	Mobilization			1,500.00
	Alternate #1			
	Furnish and install 18" rip rap 27" thick	13.50	ton	
	All work performed will be as described by Richard Allison			

By 

VENDOR

Slaxeras Construction

1/2

Richard Allison SUPERVISOR

MINE

FOR NO.

VENDOR NO.

030-19-80351

520759

DATE

DATE REQUIRED

TD DATE

DATE PROMISED

MINE NAME

REQUISITION NO.

10/19/92

10/26/92

Castle Gate

TERMS

SHIP VIA

TAX EXEMPT NO.

F.O.B.

ITEM	QUANTITY	PART NUMBER	DESCRIPTION	MANUFACTURER	WORK NOTES		
			Remediation for NOV 92-39-7-1 - Exosion at				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			Retuse pile. Provide all Men and Materials				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			and equipment to construct a Rip-rap drainage				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			ditch along the south side of the face of the				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			retuse pile from the end of the existing graded				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			ditch to the bottom of the retuse pile near pond				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			013. Price per ton includes all material and				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			Labor per attached quote. Ditch will be constructed				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			according to attached cross section. Estimated				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			Quantities and cost are as follows:				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY

MODEL NUMBERS _____ NOTICE OF SHIPMENT NO. _____

LAST VENDOR _____ DATE _____ LAST P.O. # _____

REASON FOR REPAIR _____

RECOMMENDATIONS/REMARKS _____

WHSE. _____ MINE MGR. _____ OTHERS _____

ACCT. _____

CONFIRMED INT & DATE _____ DATE ENCODED _____

SERIAL NUMBER _____

HOURS SINCE OVERHAUL _____

LAST RELATED REPAIR _____

HOURS SINCE REPAIR _____

WARRANTY NO. _____

HAS VENDOR BEEN CALLED YES NO

REQUISITIONER COPY

870-307D (1-92)

AS CONST

2/2

MINE

P.O. NO.

VENDOR NO.

SUPERVISOR

DATE REQUIRED

P.O. DATE

DATE PROMISED

MINE NAME

REQUISITION NO.

Castle Gate Mine

TERMS

SHIP VIA

TAX EXEMPT NO.

F.O.B.

ITEM	QUANTITY	PART NUMBER	DESCRIPTION	MANUFACTURER	WORK NOTES		
			900 TONS 18" Nyplog 27" Thick @ \$13.50/TON				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			Contractor to furnish AMAX Certified Scale receipts				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			and Scale ^{certified} ANALYSIS that rock meets 0.50 size of 18"				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			900 TONS @ 13.50/TON = 12,150				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			170 TONS of Bedding stone if need at 1.50 size				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			To be specified after soil testing by AMAX.				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			170 TONS @ 6.00/TON = \$1,020				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			Mobilization = \$1,500				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			Total P.O. \$14,670				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY
			Set up PO for two payments of \$7,335 or total if finished.				
		ACC NO.	PRICE	U/M	ITEM NO.	CLASS	SAFETY

MODEL NUMBERS _____ NOTICE OF SHIPMENT NO. _____

LAST VENDOR _____ DATE _____ LAST P.O. # _____

REASON FOR REPAIR _____

RECOMMENDATIONS/REMARKS _____

WHSE. _____ MINE MGR. _____ OTHERS _____

ACCT. _____ CONFIRMED INT & DATE _____ DATE ENCODED _____

SERIAL NUMBER _____

HOURS SINCE OVERHAUL _____

LAST RELATED REPAIR _____

HOURS SINCE REPAIR _____

WARRANTY NO. _____

HAS VENDOR BEEN CALLED YES NO

REQUISITIONER COPY _____