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

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May 26, 1995

John Pappas
Sr. Environmental Engineer
Cyprus Plateau Mining Corporation/AMAX Coal Company
Castle Gate Mine
P.O. Drawer PMC
Price, Utah 84501

Re: Elimination of Various Conflicts in Castle Gate Mine Mining and Reclamation Plan (Response to ACT/007/004-DO-94A, Item #1), Castle Gate Mine, AMAX Coal Company, ACT/007/004-95C, Folder #3, Emery County, Utah

Dear Mr. Pappas:

The permit changes submitted on April 20, 1995 to eliminate various conflicts in the Castle Gate Mine mining and reclamation plan, are approved with the exception of the Chapter 2 information. Chapter 2 information must be resubmitted by June 16, 1995 to be consistent with the current legal and financial information submitted as a permit change that is currently in process.

There are two additional conditions to this approval:

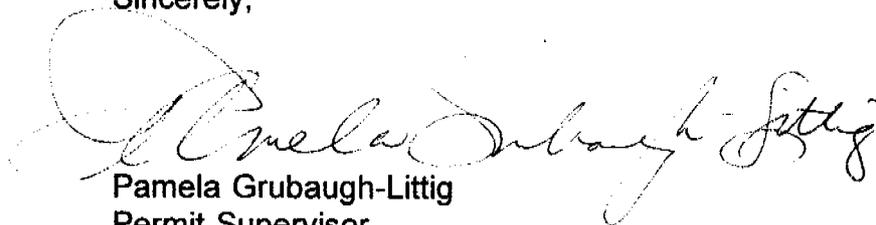
Condition 1: By July 26, 1995, AMAX Coal Company must correct all of the deficiencies identified in the attached Technical Analysis, dated May 23, 1995.

Condition 2: By June 26, 1995, AMAX Coal Company must provide ten finalized copies (with the redline portions removed) of the permit changes. (Note: Portions of the text have been submitted as single-sided pages and it is difficult to assemble the revised amendment into the existing binders because the original text was double-sided.)

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Response to DO-94A, Item #1
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If you have any questions, please call me.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

Enclosure

cc: Daron Haddock
Joe Helfrich

Technical Analysis Response to DO-94A Item #1

AMAX Coal Company
Castle Gate Mine
ACT/007/004

May 23, 1995

ANALYSIS

On August 19, 1994 the Division issued an order to Amax Coal Company which required them to submit a permit change to correct permit deficiencies. On April 20, 1995 AMAX made a submittal intended to address Item #1 of the Division Order. This document is the analysis of that submittal.

DO-94A REQUIREMENT as stated in the August 1994 order:

- 1) *R645-301-100. Permit Application Format and Contents. The information contained within the permit must be updated and organized to ensure that each Figure, Plate, Diagram, Analysis, etc. that is referenced is included within the Permit Application. The language used in the permit application must accurately differentiate between existing and proposed facilities, activities, treatments, etc. The Permittee must update portions of the plan including but not limited to: The Table of Contents; Chapter I; Chapter II, Sections 3.7, 3.9, and 3.10; Chapter VII; and Chapter IX, to reflect changes to the plan and eliminate conflicting information. These requirements apply to the plan and the operations in their entirety and is not limited to the Crandall Canyon area.*

GENERAL CONTENTS

Regulatory Reference: R645-301-100

Analysis:

On February 16, 1995, the Division received updated ownership and control information for Chapter 2. This information has not yet been approved and inserted into the plan. Changes to Chapter 2 in the current submittal are intended to update the February 16, 1995 submittal so, these changes do not correspond with information in the current mining and reclamation plan. The Permittee should re-submit Chapter 2 changes to update the February submittal.

The List of Exhibits for Chapter 2 includes Exhibit 2-2, Mining Progression No. 2

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Mine. The exhibit is the mining progression map for the No. 5 Mine.

The acreage figures in Table 3.1-2 do not correspond with figures in other parts of the plan. For example, this table indicates the disturbed areas in Sowbelly Gulch and Hardscrabble Canyon are 16 and 24 acres, respectively, but Sections 3.2 and 3.3 say the areas are 21 and 39 acres. The acreage figures are associated with bonding which is item No. 8 of the Division Order. They should be corrected as part of any submittal to address this requirement.

Revised pages do not have a revision date. Chapters 3.8 and 3.9, still reference UMC codes rather than the new regulatory requirements. Section 3.8-5 included a bond calculation change that was not identified in the Application for Permit Change. The existing Table 3.8-1, a water monitoring report from station B-5, was removed.

The permittee has not addressed the portion of this Division Order which differentiates between existing and proposed treatments. Much of the text in Chapters I, II as well as other sections, incorporates the operational information as was proposed prior to the cessation of mining. The Reclamation schedule and current status of the operations is not clarified in these sections.

Findings:

The permittee has not provided the Permit Application Format and Contents as required in Division Order 94A-#1.

Requirements:

R645-301-100. Permit Application Format and Contents.

1. Correct the list of Exhibits for Chapter 2. Exhibit 2-2, Mining Progression No. 2 Mine is actually the mining progression map for the No. 5 Mine.
2. The acreage figures in Table 3.1-2 should be corrected to correspond with figures in other parts of the plan.
3. The language used in the permit application must accurately differentiate between existing and proposed facilities, activities, treatments, etc. It is recommended the Permittee provide text to clarify identify current site operating conditions (reclamation phase, structure removal, etc.) for each chapter where applicable.

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REVEGETATION

Regulatory Reference: R645-301-340

Analysis:

Revegetation Methods

AMAX has added species list 5 to its seed/planting mixtures in Chapter 9. The amendment application says list No. 5 will be used to seed areas within 20 feet of the edge of reclamation channels.

Species list 3, was originally designated for riparian areas and for those areas near reclaimed channels. However, this list was designed for a perennial stream (the Price River) and not for the intermittent/ephemeral channels in Sowbelly Gulch and Hardscrabble and Crandall Canyons. Species list 5 is more appropriate for non-perennial drainages.

In addition, species list 1 was modified. The amounts of bluebunch wheatgrass and fourwing saltbush seed were increased, thickspike wheatgrass was substituted for salina wild rye, and sand dropseed was deleted. These changes were partly in response to comments from the Division of Wildlife Resources. They were also based on Division observations of first year revegetation in Hardscrabble Canyon and Sowbelly Gulch.

Changes to Chapter 9 should be approved.

Findings:

This section of the amendment application is considered complete and accurate and should be approved.

LAND USE RESOURCE INFORMATION

Regulatory Reference: R645-301-411

Analysis:

The current mining and reclamation plan says, "Active surface disturbance within the mine plan area as a result of Castle Gate Coal Company operations will likely not exceed 150 acres total at any time during the projected life of the operation or 0.005% of the surface because of the very limited extent of aerial disturbances within the total mine plan area." One hundred fifty acres is 0.005% of 3,000,000 acres. Actual disturbed area is about 177 acres which is about 2.3% of the permit area of 7619 acres. The proposed amendment substitutes 0.0005% for 0.005%.

The mining and reclamation plan is required by R645-301-411.110 to contain a map showing uses of the land at the time of filing the application. A sentence in Chapter 4 references several exhibits in various parts of the plan for land use information. This sentence has been deleted. The sentence should be restored except that Exhibit 3-1 is no longer in the plan.

Findings:

The Permittee has not met all requirements of this section.

Requirements:

1. The part of the application indicating 0.0005% of the mine plan area surface is disturbed needs to be corrected. This statement could just be deleted.
2. The plan needs to contain a map showing area land uses. A statement in the current Chapter 4 references several exhibits for this information. This statement should be restored except that reference to Exhibit 3-1 needs to be deleted.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

The Permittee calculated the reclamation cost for the Castle Gate unit train loadout facility. The reclamation cost was based on the demolition of steel buildings and concrete structures and revegetation costs.

The unit costs for steel building and concrete demolition were based on Means 1982 costs inflated to 1995. The inflated demolition for steel buildings is in line with Means current unit costs.

The Permittee used the Means demolition cost for concrete buildings to estimate demolition costs for concrete removal. Since most of the concrete is solid the unit cost demolition is not relevant. The unit cost for concrete building demolition is \$0.29 per cubic foot with is equal to \$7.83 per cubic yard. The cost to demolish solid concrete items with reinforcement is \$292 per cubic yard. The unit cost used in calculating the reclamation cost is incorrect and must be changed.

There is no mention of disposal cost for the building and concrete. Those costs must be included in the bond calculations, since the disposal cost for building usually exceeds that of building demolition.

The current bond amount is \$4,400,000. The Permittee's estimate for reclaiming the unit train loadout facility is \$70,000. It is unlikely that the adjustment to the unit train reclamation costs would significantly influence the total bond amount (increase it by more than 5%). Once the correct reclamation cost has been determined the Division will determine if any adjustment to the total bond amount is needed.

Findings:

The Permittee must use the correct unit cost for concrete demolition and include disposal cost for the buildings and concrete.

Requirement:

1. The Permittee must use the correct unit cost for concrete demolition and include disposal cost for the buildings and concrete.

SUMMARY OF OUTSTANDING DEFICIENCIES

GENERAL CONTENTS

Regulatory Reference: R645-301-100: Permit Application Format and Contents.

1. The list of exhibits for Chapter 2 includes Exhibit 2-2, Mining Progression No. 2 Mine. The exhibit is the mining progression map for the No. 5 Mine.
2. The acreage figures in Table 3.1-2 should be corrected to correspond with figures in other parts of the plan.
3. The language used in the permit application must accurately differentiate between existing and proposed facilities, activities, treatments, etc.

LAND USE RESOURCE INFORMATION

Regulatory Reference: R645-301-411

1. The part of the application indicating 0.0005% of the mine plan area surface is

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disturbed needs to be corrected. This statement could just be deleted.

2. The plan needs to contain a map showing area land uses. A statement in the current Chapter 4 references several exhibits for this information. This statement should be restored except that reference to Exhibit 3-1 needs to be deleted.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

1. The Permittee must use the correct unit cost for concrete demolition and include disposal cost for the buildings and concrete.

7021 #3

PERMIT AMENDMENT APPROVAL

Title: <u>Elimination of Various Conflicts</u>	PERMIT NUMBER: <u>ACT/00 7/004</u>
Description: <u>Item #1 of DO 94A</u>	PERMIT CHANGE #: <u>95C</u>
	MINE: <u>Castle Gate Mine</u>
	PERMITTEE: <u>Amax Coal Co.</u>

WRITTEN FINDINGS FOR PERMIT APPLICATION APPROVAL	YES, NO or N/A
1. The application is complete and accurate and the applicant has complied with all the requirements of the State Program.	Yes
2. The proposed permit area is not within an area under study or administrative proceedings under a petition, filed pursuant to R645-103-400 or 30 CFR 769, to have an area designated as unsuitable for coal mining and reclamation operations, unless:	Yes
A. The applicant has demonstrated that before January 4, 1977, substantial legal and financial commitments were made in relation to the operation covered by the permit application, or	Yes
B. The applicant has demonstrated that the proposed permit area is not within an area designated as unsuitable for mining pursuant to R645-103-300 and R645-103-400 or 30 CFR 769 or subject to the prohibitions or limitations of R645-103-230.	Yes
3. For coal mining and reclamation operations where the private mineral estate to be mined has been severed from the private surface estate, the applicant has submitted to the Division the documentation required under R645-301-114.200.	Yes
4. The Division has made an assessment of the probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance in the cumulative impact area and has determined that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area.	Yes
5. The operation would not affect the continued existence of endangered or threatened species or result in destruction or adverse modification of their critical habitats, as determined under the Endangered Species Act of 1973 (16 U.S.C. 1531 et.seq.).	Yes
6. The Division has taken into account the effect of the proposed permitting action on properties listed on and eligible for listing on the National Register of Historic Places. This finding may be supported in part by inclusion of appropriate permit conditions or changes in the operation plan protecting historic resources, or a documented decision that the Division has determined that no additional protection measures are necessary.	Yes
7. The Applicant has demonstrated that reclamation as required by the State Program can be accomplished according to information given in the permit application.	Yes
8. The Applicant has demonstrated that any existing structure will comply with the applicable performance standards of R645-301 and R645-302.	Yes
9. The Applicant has paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870.	Yes
10. The Applicant has satisfied the applicable requirements of R645-302.	NA
11. The Applicant has, if applicable, satisfied the requirements for approval of a long-term, intensive agricultural postmining land use, in accordance with the requirements of R645-301-353.400.	NA

SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT AMENDMENT APPROVAL	YES	NO
1. Are there any variances associated with this permit amendment approval? If yes, attach.	X	X
2. Are there any special conditions associated with this permit amendment approval? If yes, attach.	X	X
3. Are there any stipulations associated with this permit amendment approval? If yes, attach.	X	X

The Division hereby grants approval for Permit Amendment to the Existing Permit by incorporation of the proposed changes described herein and effective the date signed below. All other terms and conditions of the Existing Permit shall be maintained and in effect except as superseded by this Permit Amendment.

Signed Dan R. Haddock 5/25/95
 Division of Oil, Gas and Mining EFFECTIVE DATE

CONDITIONS AND STIPULATIONS TO APPROVAL

ELIMINATION OF CONFLICTS AMENDMENT

AMAX Coal Company
Castle Gate Mine
ACT/007/004-94C

May 25, 1995

Stipulation #1

Amendment 95C is approved with the exception of the Chapter 2 information. (The chapter 2 information should be amended in concert with other permit changes currently in process at the Division.)

Condition #1

Within 60 days of this amendment approval, AMAX must correct the deficiencies identified in the Technical Analysis dated May 23, 1995.

Condition #2:

Within 30 days of this amendment approval, AMAX must provide finalized copies (redline taken out) of the amendment for updating the MRPs in circulation. (Please be aware that portions of the text have been submitted as single sided pages and it may be difficult to assemble the revised amendment into the existing binders since the original text was double sided.)