



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

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June 27, 1997

TO: File
THROUGH: Daron Haddock, Permit Supervisor
FROM: Paul Baker, Reclamation Biologist

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PSB

Re: Castle Gate/Willow Creek Separation, Amax Coal Company, Castle Gate Mine, ACT/007/004-96G and -96L, Folder #2, Carbon County, Utah

SUMMARY

On November 22, 1996, the Division received a proposal from Amax Coal Company to separate the permits for the Castle Gate and Willow Creek Mines. They overlap in the Castle Gate Preparation Plant, Gravel Canyon, and Crandall Canyon areas. The proposal was revised in June 1997.

There have been few changes to most of the mining and reclamation plan, but some major section, such as the plans for the Castle Gate Preparation plant and the Crandall Canyon area, have been deleted. A page has been added to each chapter which includes the following statement:

Where feasible, references to the areas transferred to the Willow Creek Permit have been removed from the text in the following sections/chapters. In some instances, removal of text referring to the areas transferred to the Willow Creek Permit was not possible. These references should be disregarded when reviewing this permit.

This review also considers changes to Chapter 2 of the mining and reclamation plan. Chapter 2 contains ownership and control information and was submitted as a separate amendment in May 1996.

ADMINISTRATIVE FINDINGS

IDENTIFICATION OF INTERESTS

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Regulatory Reference: R645-301-112

Analysis:

The Castle Gate Mine is owned by Amax Coal Company. Amax Coal Company's parent companies are, in ascending order, Cyprus Amax Coal Company, Amax Energy, Inc., and Cyprus Amax Minerals Company. The resident agent is C. T. Corporation System, and Amax Coal Company will be responsible for paying the abandoned mine reclamation fee. Appendix 2-3 has a company organization chart and contains lists of officers and directors of the companies that own or control the Castle Gate Mine.

Appendix 2-4 contains the names, permit numbers, MSHA numbers with dates of issuance, and the regulatory authorities for coal mining and reclamation operations of affiliated companies. This appendix also contains the lists of officers and directors contained in Appendix 2-3. The lists of officers and directors could be deleted from Appendix 2-4.

Cyprus Plateau Mining Corporation owns the areas to be affected by surface operations, and Blackhawk Coal Company, the Bureau of Land Management, and the State of Utah own coal rights. The application is required to show the names and addresses of owners of surface and mineral lands within the permit area. While the text does not explicitly give this information for the surface owners, Exhibit 4-1 shows surface ownership and Section 2.1-2(5) has addresses for these entities. Section 2.1-2(5) shows the names and addresses of the owners of surface and mineral property contiguous to the permit area. Land ownership information is also shown on Exhibits 4-1 and 4-2.

Exhibit 3-22 shows affected surface areas and utilities, and Exhibit 4-1 shows several of the man-made features in the area. The application discusses the disposition of coal leases in the area.

The application says there are no outstanding interests in lands, options or pending bids made by the applicant for lands contiguous to the permit area.

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

VIOLATION INFORMATION

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Regulatory Reference: R645-301-113

Analysis:

The application says neither the applicant nor any of its affiliates, subsidiaries or persons controlled by or under common control with the applicant has had a federal or state mining permit suspended or revoked in the last five years nor forfeited a mining bond or similar security deposited in lieu of bond.

Violation notices issued within the last three years to the Castle Gate Mine and to other Amax operations are shown in Appendix 3-7. There are no known unabated cessation orders or air or water quality violation notices.

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

RIGHT OF ENTRY

Regulatory Reference: R645-301-114

Analysis:

Section 2.1-4 contains right of entry information. Amax Coal Company leased or subleased surface entry and coal extraction rights from Blackhawk Coal Company on January 31, 1986. Surface rights have now been transferred to Cyprus Plateau Mining Corporation, an affiliate of the permittee. Appendix 2-1 has copies of the coal leases. Coal in the permit area is in federal or State leases or is fee coal owned by Blackhawk Coal Company.

The permittee has relinquished the federal coal leases to Blackhawk Coal Company, but all reclamation obligations are being retained by the permittee. Blackhawk has granted to the permittee a continuing right of access to the lands covered by the federal coal leases for the purpose of conducting reclamation activity required by permits or applicable laws. A copy of the agreement between Amax Land Company and Blackhawk Coal Company is included in the application. Also included is a letter from the Bureau of Land Management recognizing termination of the subleases.

Findings:

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Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

INSURANCE, NOTARIZED SIGNATURE

Regulatory References: R645-301-117; R645-301-123

Analysis:

The application includes a copy of the most recent insurance policy in Appendix 2-5. The form complies with Division requirements.

The application was accompanied by a form with the notarized signature of Johnny Pappas with the statement that the information in the application is true and correct to the best of his information and belief.

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

RECLAMATION PLAN

REVEGETATION PLAN

Analysis:

Chapter 9 contains vegetation information and the revegetation plan. The baseline vegetation information is in a consultant's report and includes all areas formerly in the Castle Gate permit area, including the Castle Gate Preparation Plant, Crandall Canyon, and the Willow Creek areas. While much of this information is no longer applicable to the Castle Gate Mine, it should be retained as part of the report.

Species list one will be used to revegetate areas disturbed prior to 1977. List five will be used for areas disturbed after 1977, and transplants will be planted on north-facing slopes. Species list five will also be used within twenty feet of reclamation channels. List four is for temporary revegetation.

The Division is unaware of post-1977 disturbed areas, but the revegetation plan is

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acceptable.

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

LAND USE RECLAMATION PLAN

Regulatory Reference: R645-301-412

Analysis:

Portions of Chapter 4 dealing with land use have been changed. Previously, Chapter 4 contained information that conflicted with the rest of the plan. It now says present and future land use will consist of a single or combination of grazing, wildlife habitat, recreational use, hunting, mining, access for land management, and possible limited timber production. These uses are consistent with other sections of the plan.

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

RECOMMENDATIONS

The portions of the proposal discussed in this memorandum can be approved. Except for deleting some major sections, there are few changes to the plan. However, because of the deletions, it will be necessary for the Division to eventually update the technical analysis.

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