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United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

599 West Price River Dr.
Price, Utah 84501
(801) 637-2817

File Code: 2820-4

Date: August 8, 1997

Mr. Dick Manus
Area Manager
Price/San Rafael Resource Area
125 South 600 West
Price, Utah 84501

RECEIVED
AUG 11 1997
DIV. OF OIL, GAS & MINING

Route to Joe
Then file
Exploration for Shefie
ACT/007/005

Dear Mr. Manus:

Enclosed is the Forest Service Decision Memo (DM) for Canyon Fuel Company's proposed 1997 coal exploration plan for five drill holes in the Winter Quarters area of the Manti-La Sal National Forest. The project is located on Federal Coal Lease UTU-67939.

The DM and this letter document Forest Service consent to approval of the exploration plan by the Bureau of Land Management. Forest Service consent is subject to the stipulations attached to the DM as Appendix A. A bond of $10,000 ($2,000/hole) is needed to cover surface reclamation in addition to the bond amount determined by the BLM to assure hole plugging and down-hole operations.

If you have any questions, or need additional information, contact Rusty Lee, Ferron Work Center Geologist, at Ferron, Utah.

Sincerely,

Dan L Horne
for
JANETTE S. KAISER
Forest Supervisor

Enclosure

cc:
D-2/3
MaryAnn Wright, UDOGM
Mark Bunnell, Canyon Fuels Co., LLC

DECISION MEMO

for

COASTAL STATES ENERGY COMPANY
Five Hole Drilling Program, 1997
Winter Quarters/Skyline Mine
Federal Coal Lease UTU-67939

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AUG 11 1997
DIV. OF OIL, GAS & MINING

USDA, Forest Service, Region 4
Manti-LaSal National Forest
Ferron-Price Ranger District
Carbon County, Utah

Proposed Action and Purpose and Need:

On January 6, 1997 the Forest Service received a preliminary proposal for coal exploration from Skyline Mine of Coastal States Energy Corporation. (The proposal has been processed under the name "Coastal States", but the company has subsequently changed ownership, and is now registered under "Canyon Fuel Company, LLC".) An official proposal was received from the USDI Bureau of Land Management (BLM) on April 16, 1997. The proposal requested five new drill holes by surface access on National Forest System Lands. The holes will be drilled by rubber tired equipment. Two and one half miles of new or reopened roads will be required.

Four of the five proposed holes are on the ridgeline above the headwaters of Winter Quarters Canyon. The fifth hole is located on the creek above the riparian zone. The legal description of the area is Sections 2, 3, 10, and 11 in Township 13 South, Range 6 East.

Coal exploration holes are needed by the mining company to delineate the extent of mineable coal. The Forest Service, as the surface management agency, was requested by the BLM to conduct an environmental analysis and prescribe any additional stipulations to be added as conditions of consent to the coal exploration plan. The BLM is the responsible agency for permitting under the Mineral Leasing Act of 1969, as amended. Forest Service consent to BLM approval of the exploration plan is required under the authority of the Coal Leasing Amendments Act of 1975 and subsequent regulations.

Decision:

After careful review of the proposal, public comments, and the environmental analysis disclosed in the project file, I have decided to consent to the approval by the BLM of the proposal subject to Forest Service stipulations.

Appendix A contains stipulations applied from the Manti-LaSal Forest Plan and addiitonal mitigation measures that address the Forest Service management concerns normally associated with this type of project. All measures will be required and incorporated into the approval process by BLM as Conditions of Approval to mitigate potential adverse impacts associated with the drilling project. I believe the mitigation measures listed in Appendix A adequately

address the anticipated impacts to the resource issues and are hereby incorporated into my decision as conditions of consent.

Coastal States has not yet obtained a Road Use Permit. One will be required for this operation.

Reasons for Categorically Excluding the Proposed Action:

Based on the environmental analysis disclosed in the project file, I found no extraordinary circumstances or effects (FSH 1909.15,30.3 and 30.5) to exist that might cause this action to have significant effects on the quality of the human environment (40 CFR 1508.27).

Finding no extrordinary circumstances, I determined the proposed action may be categorically excluded under FSH 1909.15, Chapter 31.2, category 3 (Approval, modification or continuation of minor special uses of National Forest System Lands that require less than five contiguous acres of land) and category 8 (Short term mineral, energy or geophysical investigations).

Public Involvement:

A news release was submitted to the Sun Advocate on April 15, 1997. A scoping letter was sent to identified interested publics on April 16, 1997. Copies are available from the project file. No comments were received.

Findings Required by other Laws:

This analysis is tiered to the Manti-LaSal National Forest Land and Resources Management Plan, EIS and Record of Decision (1986) as amended. The proposed drill pads fall within the RNG Management Units, which emphasizes the production of forage and cover for domestic livestock and wildlife (page III-64).

My decision is consistent with the Forest Plan and will not require amendments. I considered and find the decision consistent with the National Forest Mangement Act requirements as expressed in 36 CFR 219.27. A biological evaluation and assessment was prepared and is contained in the project file. The decision complies with the Endangered Species Act of 1973 and Section 106 of the National Historic Preservation Act of 1966 (project file).

Implementation Date

My decision may be implemented by the USDI Bureau of Land Management on or after the date of signature. The BLM is responsible for project administration and monitoring, including hole plugging. The Forest Service will work with the BLM with respect to surface operations and site reclamation.

Administrative Review or Appeal Opportunities:

The decision is not subject to appeal under 36 CFR 215 and 217.

Implementation Date

My decision may be implemented by the USDI Bureau of Land Management on or after the date of signature. The BLM is responsible for project administration and monitoring, including hole plugging. The Forest Service will work with the BLM with respect to surface operations and site reclamation.

Administrative Review or Appeal Opportunities:

The decision is not subject to appeal under 36 CFR 215 and 217. This decision is subject to administrative review in accordance with 36 CFR 251, as is the case of decisions regarding written instruments authorizing occupancy and use of National Forest Systems lands. Any appeal of this decision must include the information required by 36 CFR 251.90 (Contents of Notice of Appeal), including the reason for the appeal, and must be filed with the Forest Supervisor, Manti-LaSal National Forest, 599 W. Price River Drive, Price Utah, 84501, within 45 days of the date this decision.

Contact Person:

Individuals with question related to this decision or project may contact Rusty Lee at the Ferron Office, Ferron-Price District, 115 W. Canyon Road, Ferron, Utah 84523 or call 801-384-2372.

JANETTE S. KAISER
Forest Supervisor

8/8/97
Date

APPENDIX A

STIPULATIONS

Stipulations to be included in the Coal Drilling Permit/License

1. A pre-work meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project location prior to commencement of operations. Site-specific Forest Service requirements will be discussed at this time.

2. A Road Use Permit must be obtained from the Forest Service before equipment is transported onto National Forest System lands. The location of new roads is subject to Forest Service review and approval. No construction may begin prior to approval. Any modifications or changes to approved locations are also subject to review and approval.

3. All surface disturbing activities including reclamation must be supervised by a responsible representative of the permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses must be available for review at the project site and presented upon demand to any Forest Service official.

4. The Forest must be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.

5. Establishment of campsites and staging areas on National Forest System lands in support of this project is subject to Forest Service approval.

6. The Forest Service must be notified of any proposed alterations to the coal exploration plan. Any changes to the existing plan are subject to Forest Service review and approval.

7. Fire suppression equipment must be available to all personnel working at the project site. Equipment must include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.

8. All gasoline, diesel, and steam-powered equipment must be equipped with effective spark arresters or mufflers. Spark arresters must meet Forest Service specifications discussed in the "General Purpose and Locomotive (GP/L) Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine (MSE) Spark Arrester Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.

9. The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the Forest Service as soon as possible.

10. The Forest Service reserves the right to suspend operations during periods of high fire potential.

11. Water needed in support of operations must be properly and legally obtained according to Utah State water laws. The location of diversions, if on National Forest System lands, are subject to Forest Service review and approval. Water diversion structures, if needed,must be constructed as specified by the Forest Service.

12. Unauthorized off-road vehicular travel is prohibited.

13. Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the permittee/licensee.

14. If cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources must cease and the Forest Service must be notified of the discovery.

15. Gates must be closed after entry unless otherwise specified.

16. The permittee/licensee will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Forest Service must be notified of damages as soon as possible.

17. Operations must be coordinated with grazing permittees to prevent conflicts.

18. Harassment of wildlife and livestock is prohibited.

19. Topsoil must be stripped from areas occupied by parked vehicles and mud pits and stockpiled for use during reclamation. Topsoil stockpiles will be located to minimize contamination or loss. Rock material will be stockpiled separately.

20. Drill pads will be designed to prevent or diminish overland flow from entering the site during precipitation events. Pad sites will be sloped to drain all spills and on-sites precipitation into the mud pits. If necessary, pits will be pumped out to reduce their content and insure that overflow does not occur. Fluids will be disposed of off Forest at a Utah State approved disposal site.

21. All drilling fluids, mud and cuttings must be contained on the project site in mud pits or portable containers. The pit must not be used for disposal of garbage, trash or other refuse. Unattended pits will be fenced to keep out livestock and wildlife.

22. During the drilling operations all trash, garbage and other refuse must be properly contained on the project site prior to disposal at authorized sites.

23 All significant water encountered during drilling must be reported to the Forest Service, including the depth and formation at which it was encountered, and an estimate of the flow.

24. If any of the drill holes encounter artesian groundwater flow, the District Ranger must be notified prior to plugging the hole to determine whether or not the Forest Service would elect to establish a permanent water development at the site.

25. All drill holes must be plugged in accordance with Federal and State regulations.

26. The operator must clean up and remove all drilling equipment, trash, garbage, flagging, vehicles and other such materials from National Forest System lands.

27. Disturbed areas must be reclaimed by the end of the field season. Exceptions require Forest Service approval.

28. The project, including reclamation is to be completed in one field season. Temporary roads will be recontoured by using the existing fill material available, then retopsoiled. All holes should be drilled, reclamation completed and access adequately blocked by the opening day of the general elk hunt. If additional time is needed the Forest Service should be advised so the permit can be amended.

29 Drill rigs and heavy equipment (not including water trucks) must not be transported in or out of the Granger Ridge and Winter Quarters Ridge area during the opening of the general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends. The water truck must be preceded by a pilot vehicle when hauling water for the project during the hunting season.

30 Contaminated soil and gravel must be stripped and hauled off Forest prior to site reclamation.

31. Mud pits must be allowed to dry or pumped before they are backfilled and reclaimed. If pumped, fluids will be disposed off Forest, at a Utah State approved site. They must be enclosed by a 4-strand barbed wire fence while they are left to dry.

32. Drill sites, roads to be obliterated, and mud pits when they are dry, must be reclaimed by selectively backfilling excavated materials, topsoil last, such that the disturbed area is replaced to approximate original contour. The disturbed area must be seeded with the specified seed mix.

33. Upon completion of the project, compacted soils must be scarified and seeded with the specified seed mix.

34 All disturbed drainages must be replaced to their approximate original configuration when the project area is reclaimed.

35. The reclaimed roads must be signed and blocked off to discourage vehicle access by the public.

36 Reclamation efforts will be diligently pursued to insure that a minimum ground cover is established on all disturbed areas. Revegetation will be considered successful when 90% of the predisturbance ground cover is re-established over the entire disturbed area, with no noxious weeds. Adjacent undisturbed areas will be used as a basis for comparison of ground cover. Of the vegetative ground cover, at least 90% must consist of seeded or other desireable species. The 90% of pre-disturbance ground cover must be maintained for three years.

37. Seeding will be done with the following certified seed mix:

Species	pounds/acre
Intermediate Wheatgrass - Agropyron intermedium	4
Orchard Grass - Dactylis glomerata	3
Slender Wheatgrass - Agropyron trachycaulum	4
Crested Wheatgrass - Agropyron cristatum	2
Ladak Alfalfa - Medicago sativa ladak	1
Yellow Sweet Clover - Meliotus officinalis	1
Small Burnett - Sanguisorba minor	1
Perennial Ryegrass - Lolium perenne	1

This seed mixture must comply with the Utah Seed Act.

38. The operator will be held responsible for control of noxious weed infestations found to be a result of this drilling operation.

39. Timber removed during the project that meets sawlog utilization standards (minimum 8 inch diameter, 8 feet long, and 33 1/3 % sound) will be removed from the area by the permittee. Timber not meeting sawlog utilization standards will be used to the maximum extent possible for access restrictions and surface cover.

40. Outside berms will not be constructed on any roads.

41. The operator/agent will immediately notify the Forest Service should raptor nests be discovered.

42. Any dogs in the project area must be kept on a leash.

43. Snag trees with cavities for nesting, or broken tops will not be disturbed.

44. Stipulation for Lands of the National Forest System Under Jurisdiction of the Department of Agriculture.

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and

management of the National Forest System (NFS) when not inconsistent with the rights and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

to: Forest Supervisor

at: Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No. (801) 637-2817

who is the authorized representative of the Secretary of Agriculture.

Stipulations to be Included in the Road Use Permit

45. Roads must not be used when they are wet and susceptible to damage.

46. The permittee is responsible for repair of any damages to roads which are caused by his operations.

47. All traffic must maintain safe speeds commensurate with existing conditions.

48. Roads must be watered if dust becomes a problem or if excessive loss of road material occurs.