

0004



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Deputy Executive Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7222 (TDD)

June 6 2002

Dan Meadors, General Manager
Canyon Fuel Company, LLC.
HC 35 Box 380
Helper, Utah 84526

Re: BC-5 and Steel Drop Tube, Canyon Fuel Company, LLC., Skyline Mine, C/007/005-02C, Outgoing File

Dear Mr. Meadors:

The above-referenced amendment is conditionally approved upon receipt of seven clean copies of page 3-36(a) prepared for incorporation. Please submit these copies by July 8, 2002. Once we receive these copies, final approval will be granted, at which time you may proceed with your plans.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan. A copy of our Technical Analysis is enclosed.

If you have any questions, please feel free to call me at (801) 538-5268 or Stephen J. Demczak at (435) 613-5242.

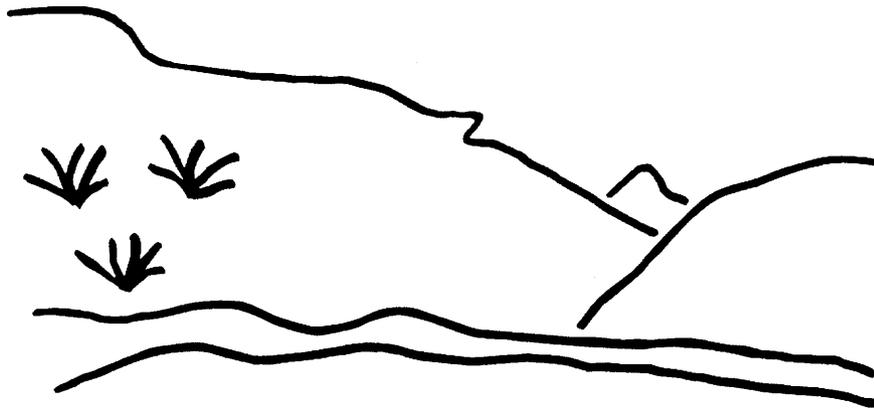
Sincerely,

A handwritten signature in black ink, appearing to read 'Pamela Grubaugh-Littig'.

Pamela Grubaugh-Littig
Permit Supervisor

SJD/sd
Enclosure:
cc:

State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Skyline Mine
BC-5 and Steel Drop Tube
C/007/005-02C
Technical Analysis
June 4, 2002

TABLE OF CONTENTS

INTRODUCTION.....	1
OPERATION PLAN	3
MINING OPERATIONS AND FACILITIES.....	3
Facilities and Structures.....	3
TOPSOIL AND SUBSOIL.....	3
Removal and Storage.....	4
MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS.....	4
Mining Facilities Maps.....	5
RECLAMATION PLAN.....	7
GENERAL REQUIREMENTS.....	7
BONDING AND INSURANCE REQUIREMENTS.....	8
Determination of Bond Amount.....	8
RULES INDEX.....	9

INTRODUCTION

TECHNICAL ANALYSIS

INTRODUCTION

The permittee has submitted an amendment to install and construct a conveyor belt (BC-5) and drop tube. These structures will allow coal to be conveyed from the middle level (level 2) to the lower level (level 3) of the mine site. This is needed to allow blending of coal. This project will start once this amendment is approved. It is anticipated by the permittee that these structures will be needed for one year.

This project is within the disturbed area; therefore, there will be no new disturbance.

Page 2
C/007/005-02C
June 4, 2002

INTRODUCTION

OPERATION PLAN

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Minimum Regulatory Requirements:

The objectives of this section is to ensure that the Division is provided with comprehensive and reliable information on proposed underground mining activities, and to ensure that those activities are allowed to be conducted only in compliance with the regulatory program.

Provide a general description of the mining operations proposed to be conducted during the life of the mine within the proposed permit area, including, at a minimum, the following: a narrative description of the type and method of coal mining procedures and proposed engineering techniques, anticipated annual and total production of coal, by tonnage, and the major equipment to be used for all aspects of those operations; and, a narrative explaining the construction, modification, use, maintenance, and removal of the following facilities (unless retention of such facility is necessary for postmining land use is specified.) The following facilities must be described: dams, embankments, and other impoundments; overburden and topsoil handling and storage areas and structures; coal removal, handling, storage, cleaning, and transportation areas and structures; spoil, coal processing waste, mine development waste, and noncoal waste removal, handling, storage, transportation, and disposal areas and structures; mine facilities; and, water pollution control facilities.

Analysis:

Facilities and Structures

The permittee will be constructing a conveyor belt and a coal drop tube. These structures are on the Surface facilities map. This map is P.E. certified. This is within the disturbed area and no additional area will be disturbed by this project.

Findings:

The permittee has met the minimum requirements of this section.

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR 817.22; R645-301-230.

Minimum Regulatory Requirements:

Topsoil removal and storage

All topsoil shall be removed as a separate layer from the area to be disturbed, and segregated. Where the topsoil is of insufficient quantity or of poor quality for sustaining vegetation, the selected overburden materials approved by the Division for use as a substitute or supplement to topsoil shall be removed as a separate layer from the area to be disturbed, and segregated. If topsoil is less than 6 inches thick, the operator may remove the topsoil and the unconsolidated materials immediately below the topsoil and treat the mixture as topsoil.

The Division may choose not to require the removal of topsoil for minor disturbances which occur at the site of small structures, such as power poles, signs, or fence lines; or, will not destroy the existing vegetation and will not cause erosion.

All materials shall be removed after the vegetative cover that would interfere with its salvage is cleared from the area to be disturbed, but before any drilling, blasting, mining, or other surface disturbance takes place.

Selected overburden materials may be substituted for, or used as a supplement to, topsoil if the operator demonstrates to the Division that the resulting soil medium is equal to, or more suitable for sustaining vegetation than, the existing topsoil, and the resulting soil medium is the best available in the permit area to support revegetation.

Materials removed shall be segregated and stockpiled when it is impractical to redistribute such materials promptly on regraded areas. Stockpiled materials shall: be selectively placed on a stable site within the permit area; be protected from contaminants and unnecessary compaction that would interfere with revegetation; be protected from wind and water erosion through prompt establishment and maintenance of an effective, quick growing vegetative cover or through other measures approved by the Division; and, not be moved until required for redistribution unless approved by the Division.

Where long-term surface disturbances will result from facilities such as support facilities and preparation plants and where stockpiling of materials would be detrimental to the quality or quantity of those materials, the Division may approve the temporary distribution of the soil materials so removed to an approved site within the permit area to enhance the current use of that site until needed for later reclamation, provided that: such action will not permanently diminish the capability of the topsoil of the host site; and, the material will be retained in a condition more suitable for redistribution than if stockpiled.

The Division may require that the B horizon, C horizon, or other underlying strata, or portions thereof, be removed and segregated, stockpiled, and redistributed as subsoil in accordance with the above requirements if it finds that such subsoil layers are necessary to comply with the revegetation.

Analysis:

Removal and Storage

This area is within the disturbed area and topsoil has been removed from this area.

Findings:

The permittee has met the minimum requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Minimum Regulatory Requirements:

Each application shall contain maps, plans, and cross sections which show the mining activities to be conducted, the lands to be affected throughout the operation, and any change in a facility or feature to be caused by the proposed operations, if the facility or feature was shown and described as an existing structure.

The following shall be shown for the proposed permit area:

Mining facilities maps

Location of each facility used in conjunction with mining operations. Such structures and facilities shall include, but not be limited to: buildings, utility corridors, roads, and facilities to be used in mining and reclamation operations or by others within the permit area; each coal storage, cleaning, and loading area; each topsoil, spoil, coal preparation waste, underground development waste, and noncoal waste storage area; each water diversion, collection, conveyance, treatment, storage and discharge facility; each source of waste and each waste disposal facility relating to coal processing or pollution control; each facility to be used to protect and enhance fish and wildlife related environmental values; each explosives storage and handling facility; location of each sedimentation pond, permanent water impoundment, coal processing waste bank, and coal processing water dam and embankment, and disposal areas for underground development waste and excess spoil; and, each plan or profile, at cross sections

OPERATION PLAN

specified by the Division, of the anticipated surface configuration to be achieved for the affected areas during mining operations.

Certification Requirements

Cross sections, maps, and plans required to show the design, location, elevation, or horizontal or vertical extent of the land surface or of a structure or facility used to conduct mining and reclamation operations shall be prepared by, or under the direction of, and certified by a qualified, registered, professional engineer, a professional geologist, or in any State which authorizes land surveyors to prepare and certify such cross sections, maps, and plans, a qualified, registered, professional land surveyor, with assistance from experts in related fields such as landscape architecture.

Each detailed design plan for an impounding structure that meets or exceeds the size or other criteria of the Mine Safety and Health Administration, 30 CFR Section 77.216(a) shall: be prepared by, or under the direction of, and certified by a qualified registered professional engineer with assistance from experts in related fields such as geology, land surveying, and landscape architecture; include any geotechnical investigation, design, and construction requirements for the structure; describe the operation and maintenance requirements for each structure; and, describe the timetable and plans to remove each structure, if appropriate.

Each detailed design plan for an impounding structure that does not meet the size or other criteria of 30 CFR Section 77.216(a) shall: be prepared by, or under the direction of, and certified by a qualified, registered, professional engineer, or in any State which authorizes land surveyors to prepare and certify such plans, a qualified, registered, professional land surveyor, except that all coal processing waste dams and embankments shall be certified by a qualified, registered, professional engineer; include any design and construction requirements for the structure, including any required geotechnical information; describe the operation and maintenance requirements for each structure; and, describe the timetable and plans to remove each structure, if appropriate.

Analysis:

Mining Facilities Maps

The permittee has updated the surface facilities map. Douglas E. Johnson, badge number 160554-2202 has certified the Surface Facilities map.

Findings:

The permittee has met the minimum requirements of this section.

Page 6
C/007/005-02C
June 4, 2002

OPERATION PLAN

RECLAMATION PLAN

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Minimum Regulatory Requirements:

Provide a plan for the reclamation of the lands within the proposed permit area, showing how the applicant will comply with the regulatory program and the environmental protection performance standards. The plan shall include, at a minimum, contain the following information for the proposed permit area: a detailed timetable for the completion of each major step in the reclamation plan; a detailed estimate of the cost of the reclamation of the proposed operations required to be covered by a performance bond, with supporting calculations for the estimates; a plan for backfilling, soil stabilization, compacting, and grading, with contour maps or cross sections that show the anticipated final surface configuration of the proposed permit area; a plan for redistribution of topsoil, subsoil, and other material along with a demonstration of the suitability of topsoil substitutes or supplements shall be based upon analysis of the thickness of soil horizons, total depth, texture, percent coarse fragments, pH, and areal extent of the different kinds of soils; other chemical and physical analyses, field-site trials, or greenhouse tests if determined to be necessary or desirable to demonstrate the suitability of the topsoil substitutes or supplements may also be required; a plan for revegetation including, but not limited to, descriptions of the schedule of revegetation, species and amounts per acre of seeds and seedlings to be used, methods to be used in planting and seeding, mulching techniques, irrigation, if appropriate, and pest and disease control measures, if any, measures proposed to be used to determine the success of revegetation, and, a soil testing plan for evaluation of the results of topsoil handling and reclamation procedures related to revegetation; a description of the measures to be used to maximize the use and conservation of the coal resource; a description of measures to be employed to ensure that all debris, acid-forming and toxic-forming materials, and materials constituting a fire hazard are disposed of accordingly and a description of the contingency plans which have been developed to preclude sustained combustion of such materials; a description, including appropriate cross sections and maps, of the measures to be used to seal or manage mine openings, and to plug, case, or manage exploration holes, other bore holes, wells, and other openings within the proposed permit area; and, a description of steps to be taken to comply with the requirements of the Clean Air Act, the Clean Water Act, and other applicable air and water quality laws and regulations and health and safety standards.

Analysis:

There will be no additional earthwork to the reclamation of this area. This project is an addition to the existing structures at the mine site. The reclamation will be removal of the conveyor belt and drop tube. The cost of removal is \$16,530 or 0.33% of the existing bond.

Findings:

The permittee has met the minimum requirements of this section.

BONDING AND INSURANCE REQUIREMENTS

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

Minimum Regulatory Requirements:

Determination of bond amount

RECLAMATION PLAN

The amount of the bond required for each bonded area shall: be determined by the Division; depend upon the requirements of the approved permit and reclamation plan; reflect the probable difficulty of reclamation, giving consideration to such factors as topography, geology, hydrology, and revegetation potential; and, be based on, but not limited to, the estimated cost submitted by the permit applicant.

The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work has to be performed by the Division in the event of forfeiture, and in no case shall the total bond initially posted for the entire area under 1 permit be less than \$10,000.

An operator's financial responsibility for repairing material damage resulting from subsidence may be satisfied by the liability insurance policy required in this section.

Analysis:

Determination of Bond Amount

The bond for the construction project of installing a conveyor belt and drop tube is \$16,530 or 0.33% of the current bond. This is less than 5% of the bonding amount emplace with the Division. Therefore, no additional bonding amount will be required.

Findings:

The permittee has met the minimum requirements of this section.

RULES INDEX

30 CFR

784.11.....	3
784.13.....	7
784.14.....	7
784.15.....	7
784.16.....	7
784.17.....	7
784.18.....	7
784.19.....	7
784.2.....	3
784.20.....	7
784.21.....	7
784.22.....	7
784.23.....	4, 7
784.24.....	7
784.25.....	7
784.26.....	7
800.....	8
817.22.....	3

R645-

301-230.....	3
301-231.....	3, 7
301-233.....	7
301-322.....	7
301-323.....	7
301-331.....	7
301-333.....	7
301-341.....	7
301-342.....	7
301-411.....	7
301-412.....	7
301-422.....	7
301-512.....	4, 7
301-513.....	7
301-521.....	4, 7
301-522.....	7
301-525.....	7
301-526.....	3, 7
301-527.....	7
301-528.....	3, 7
301-529.....	7
301-531.....	7

301-533	7
301-534	7
301-536	7
301-537	7
301-542	4, 7
301-623	7
301-624	7
301-625	7
301-626	7
301-631	7
301-632	4, 7
301-723	7
301-724	7
301-725	7
301-726	7
301-728	7
301-729	7
301-731	4, 7
301-732	7
301-733	7
301-746	7
301-764	7
301-800	8
301-830	7
302-323	4



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1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

May 24, 2002

Dan Meadors, General Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Re: BC-5 and Steel Drop Tube, Canyon Fuel Company, LLC, Skyline Mine, C/007/005-AM02C, Outgoing File

Dear Mr. Meadors:

The Division received an application to include two new structures, BC-5 and a Steel Drop Tube, in the Mining and Reclamation Plan on May 10, 2002. We anticipate completing this review by June 7, 2002. Steve Demczak has been assigned as the Lead on this project. Copies are being forwarded to the Bureau of Land Management, and the U.S. Forest Service for their review and concurrences.

If you have any question, please call Steve Demczak at (435)-613-5242 or me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

an
cc: Tom Rasmussen, BLM w/ application
Elaine Zieroth, USFS w/ application
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office w/application
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Salt Lake City, Utah 84114-5801

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801-359-3940 (Fax)

801-538-7223 (TDD)

ok

May 15, 2002

Dan Meadors, General Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Dan

Dear Mr. Meadors:

Re: Five-Year Permit Renewal, Changed Conditions, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Outgoing File

Enclosed are two copies of Attachment A, Special Conditions, which accompany the renewed mining permit for the Skyline Mine. These five special permit conditions were rewritten as a result of a meeting with your staff on May 8, 2002. We appreciate the time and effort in clarifying these conditions to make them more workable for both the Division and Canyon Fuel.

Please replace Attachment A, dated April 30, with these, dated May 15, and have both copies of the permit signed by the responsible official for Canyon Fuel Company, LLC. Then, kindly return one complete copy to the Division.

Sincerely,

A handwritten signature in cursive script that reads "Lowell P. Braxton".

Lowell P. Braxton
Director

sm

Enclosures

cc: J. Fulton, OSM
Price Field Office

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ATTACHMENT A
Special Conditions
C/007/005
May 15, 2002

- 1) Canyon Fuel Company, LLC must submit water quality data for the Skyline Mine in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>
- 2) Within 45 days of permit renewal, Canyon Fuel Company, LLC must assemble, analyze and submit to the Division all existing studies and data for the update of the PHC as a result of the mine inflows. Further, CFC must continue to provide all data as required to comply with R645-301-728.
- 3) Canyon Fuel Company, LLC must submit cumulative monthly flow data for discharges into Electric Lake and Eccles Creek. The monthly data will be submitted in the first week of the following month. This reporting will require amending the Mining and Reclamation Plan (MRP) to establish two new water monitoring points in the water monitoring plan to measure flow at the above-noted discharge points.
- 4) Canyon Fuel Company, LLC must have a qualified person compile and analyze past macroinvertebrate studies on Eccles Creek into one report. This will be done within 60 days of the Division providing Canyon Fuel Company, LLC with the list of known past macroinvertebrate studies to be included in the report. Skyline may also have studies of which the Division is not aware, and will check for these as well as with the Division of Wildlife Resources.
- 5) At this time, the Division is unable to make a finding about the potential effects outside the permit area on the continued heavy pumping of water to Eccles Creek, Mud Creek, Scofield Reservoir and Electric Lake. Therefore, within 45 days of the permit renewal, Canyon Fuel Company, LLC must initiate an update to, and further evaluation of, the February 27, 2002 Earth Fax Engineering, Inc. study entitled Hydrologic and Channel-Stability Evaluation of Eccles and Mud Creeks. The study will be conducted using input from the Division's technical staff, and it will focus on determining the potential impacts to the above-noted waters. If necessary, when the assessment report is completed, Canyon Fuel Company, LLC must mitigate as required by R645-301-731.

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