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

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OK

August 16, 2002

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

RE: Approval of 84-Acre Incidental Boundary Change, Canyon Fuel Company, LLC., Skyline Mine, C/007/005-IB02G, Outgoing File

Dear Mr. Meadors:

The above-referenced is approved effective August 16, 2002. Enclosed are two (2) permanent program permits for the Skyline Mine adding 84 acres of fee coal/fee surface to the current permit area. Please read the permit to be sure you understand the requirements of the permit, then have both copies signed by the appropriate Canyon Fuel Company, LLC officer and return one to the Division.

Enclosed is a copy of our Technical Analysis for your information and a stamped incorporated copy of the amendment for your copy of the Mining and Reclamation Plan.

If you have any questions, please feel free to call me or Pamela Grubaugh Littig at (801) 538-5268.

Sincerely,

Lowell P. Braxton
Director

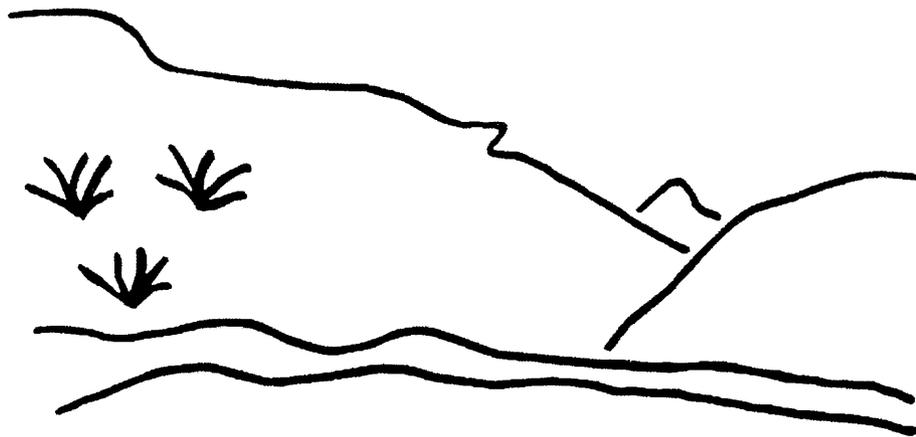
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Enclosures (4)

cc: Ranvir Singh, OSM, w/o
Tom Rasmussen, BLM, w/o
Elaine Zieroth, USFS, w/o
Mark Page, Water Rights, w/o
Dave Ariotti, DEQ, w/o
Derris Jones, DWR, w/o
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Skyline Mine
Permit Modification
C/007/005-IB02G
Technical Analysis
August 15, 2002

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TECHNICAL ANALYSIS

TECHNICAL ANALYSIS

The Division regulates the Surface Mining Control and Reclamation Act of 1977(SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.



INTRODUCTION

INTRODUCTION

The permittee is requesting a minor permit modification to increase the mine's existing permit area by approximately 84 acres. This is to gain underground access to the North Lease (Winter Quarters Lease). The permittee will develop main entries through this area. No second mining will occur in the 84 acres.

The present underground mining area (Flat Canyon) has been experiencing ground water problems for the past several months. The Flat Canyon area would need to be dewatered before coal can be economically mined. Skyline has determined by mining the North Lease the mine will be viable for the next several years.

The permittee has started to develop main entries towards the permit modification area. It is projected that the continuous miner section will reach the permit modification area underground by September 1, 2002.

The permit modification area is located under private property and contains fee coal. Skyline has acquired the right to mine the fee coal but has not reached an agreement with the surface owner. Subsidence will not take place in the 84 acres permit modification.

No surface structures, sells, utilities, or permanent roads are located within 2,500 feet of the permit area.

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INTRODUCTION

GENERAL CONTENTS

GENERAL CONTENTS

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

The 84-acre permit modification is located in Section 12 of Township 13 South, Range 6 East. There are two mineral owners within the 84-acre permit modification. These are C&B Energy and Carbon County. The permittee has coal lease agreements from Carbon County and C&B Energy to mine the 84 acres.

The surface owner for the 84-acre permit modification is Koula Marakis Trust. The permittee has not received permission to mine underground from the surface landowner. It is the opinion of the reviewer that the permittee and the landowner could not reach a mutual agreement for a right-of-way.

Canyon Fuel Company, LLC-Skyline Mine has submitted information to be able to mine the 84 acres by complying with R645-301-114.200. Utah Coal Rule R645-301-114.200 relating to the general contents of a coal permit application provides that where the private mineral estate to be mined has been severed from the private surface estate, an applicant will submit one of the following: (1) a copy of the written consent of the surface owner, or (2) a copy of the conveyance that expressly grants or reserves the right to extract coal by certain coal mining and reclamation operations, or (3) documentation that the applicant has the legal authority under Utah law to extract the coal by the proposed operations. Skyline Mine feels the information presented will comply with statement (3) or R645-301-114.230. Skyline Mine has provided case law in the application for their justification of right-of-entry. The reviewer will refer to management to make a finding if Skyline Mine has the necessary documentation and the right-of-way to mine the 84 acres under the surface property of Koula Marakis Trust lands.

Findings:

The permittee has met the minimum requires as it is related to the right-of entry underground by obtaining coal lease agreements.

The Division's management has concluded that the permittee has met the minimum requirements to mine under the surface landowners property (Koula Marakis Trust land) by complying with R645-301-114.200.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

A legal description of the incidental boundary change has been updated to the permit area description in the MRP. This is on page numbers 1-35 and 1-37 of this amendment. Land ownership, mineral ownership, and permit area maps have been updated to reflect the 84-acre permit modification.

Findings:

The information provided has met the minimum requirements of this section.

ENVIRONMENTAL RESOURCES INFORMATION

ENVIRONMENTAL RESOURCE INFORMATION

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

PERMIT AREA

Regulatory Requirements: 30 CFR 783.12; R645-301-521.

Analysis:

The Permittee proposed to add 84 acres to the permit area for the Skyline mine. The additional acres are in Township 13 South, Range 6 East SLB&M, Section 12: SW1/4SW1/4, and NW1/4SW1/4.

This change is also shown on the following revised maps:

DWG. No: 1.6-3
DWG. No: 3.1.8-2
DWG. No: 3.1.6-1

Findings:

The information provided has met the minimum requirements of this section.

VEGETATION RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.19; R645-301-320.

Analysis:

This information has not changed. There will be no impact to vegetation due to first mining only. No subsidence will occur in the IBC area.

Findings:

The information provided has met the minimum requirements of this section.

FISH AND WILDLIFE RESOURCE INFORMATION

Regulatory Reference: 30 CFR 784.21; R645-301-322.

Analysis:

This information has not changed. There will be no impact to fish and wildlife due to first mining only. No subsidence will occur in the IBC area.

Findings:

The information provided has met the minimum requirements of this section.

GEOLOGIC RESOURCE INFORMATION

Regulatory Reference: 30 CFR 784.22; R645-301-623, -301-724.

Analysis:

The 84-acre IBC is adjacent to the current Skyline Mine permit area. Geologic information for the IBC is provided in the approved Skyline Mine MRP. The geologic formation for the IBC and the adjacent lands mined by Skyline are the same.

Findings:

The information provided has met the minimum requirements of this section.

HYDROLOGIC RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 701.5, 784.14; R645-100-200, -301-724.

Analysis:

Baseline Information

ENVIRONMENTAL RESOURCES INFORMATION

There is no baseline information. All hydrologic information has been present in the Skyline Mine MRP.

Baseline Cumulative Impact Area Information

The IBC lies within the Cumulative Impact Area of the Skyline Mine. This was confirmed in CIA boundary drawing in the Cumulative Impact document.

Probable Hydrologic Consequences Determination

The permittee has updated the PHC to include the 84-acre permit modification. These additions are on Page 2-51 of this permitting action.

Groundwater Monitoring Plan

The ground water encountered in the Skyline mine adjacent to the IBC was determined to be old water. This water is greater than 50 years old. Ground water was not a significant problem while mining Mine 3 in this area. A sand stone channel will be mined through as the mains are developed. This will be same channel encountered in Mine #3. It produced roof drippers with minimal flows that stopped flowing shortly after mining proceeded past the channel. It is anticipated that similar ground water conditions will exist when this channel is encountered during development of the mains.

Surface-Water Monitoring Plan

Monitoring spring S12-1 is located in the SW1/4 Section 12 T13S R6 E within the IBC area that will include the new mains. Spring S13-7 is located just south of the IBC area in Section 13. No impacts are anticipated to these springs since no subsidence will occur in the IBC. These springs will continue to be monitored as part of the Mining and Reclamation Plan.

The drainage to be undermined in the IBC area in Section 12 T13S R6E is ephemeral and contains flows only during spring runoff or as the result of summer thunderstorm precipitation. No impacts to this drainage are anticipated since no subsidence related to mining activities will occur in the area.

Findings:

The information provided has met the minimum requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Affected Area Boundary Maps

The affected area is the same as the permit area. This is shown on Drawing 1.6-3 of this amendment.

Existing Structures and Facilities Maps

There is no existing structure in the IBC.

Existing Surface Configuration Maps

The existing surface configuration is on Drawing 1.6-3.

Mine Workings Maps

The mine working's for the IBC is shown on Drawing 3.1.8-2. The permittee will develop five entries through the IBC.

Permit Area Boundary Maps

The permittee has updated the permit area map to include the IBC. This update is on Drawing 1.6-3.

Surface and Subsurface Manmade Features Maps

The IBC has no surface and subsurface manmade features.

ENVIRONMENTAL RESOURCES INFORMATION

Surface and Subsurface Ownership Maps

The ownership and control information is updated on Drawing 1.6-1 and 1.6-2.

Contour Maps

Contour for the IBC can be seen on Drawings 1.6-1, 1.6-2, 1.6-3, and 3.1.8-2.

Findings:

The information provided has met the minimum requirements of this section.

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ENVIRONMENTAL RESOURCE INFORMATION

OPERATION PLAN

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

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

Analysis:

General

The permittee will use the IBC to access the North Lease (Winter Quarters) with five main entries. Continuous miner will develop these entries. The development entries will go through the IBC. This should take two or three months depending on ground conditions. Skyline Mine #3 will access the IBC underground by using continuous miners.

Type and Method of Mining Operations

Continuous miner will be used to mine the IBC. No second mining will occur in the IBC.

Facilities and Structures

No facilities or structure will be constructed in the IBC.

Findings

The information provided has met the minimum requirements of this section.

EXISTING STRUCTURES:

Regulatory Reference: 30 CFR 784.12; R645-301-526.

Analysis:

No existing structures are located in the IBC.

Findings

The information provided has met the minimum requirements of this section.

SUBSIDENCE CONTROL PLAN

Regulatory Reference: 30 CFR 784.20, 817.121, 817.122; R645-301-521, -301-525, -301-724.

Analysis:

Subsidence Control Plan

There should be no subsidence in the IBC. No second mining will occur in the IBC. The permittee has notified, in writing (certified letter), the water conservancy district, and all owners of surface property that mining will take place. This certified letter was mailed to the above parties on August 15, 2002. The permittee followed the requirements of R645-301-525.700.

Findings:

The information provided has met the minimum requirements of this section.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 784.24, 817.150, 817.151; R645-301-521, -301-527, -301-534, -301-732.

Analysis:

Road Classification System

No roads will be used or constructed in the IBC. Only underground mining will take place in the IBC.

Findings:

The information provided has met the minimum requirements of this section.

OPERATION PLAN

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

Acid- and Toxic-Forming Materials and Underground Development Waste

It is anticipated that acid and toxic materials will be no different than what was in Mine #3 adjacent to the IBC. There is no geologic difference between Mine #3 and the IBC.

Findings:

The information provided has met the minimum requirements of this section.

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OPERATION PLAN

RECLAMATION PLAN

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 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.

Analysis:

There will be no reclamation of the IBC area. All activity will be underground.

Findings:

The information provided has met the minimum requirements of this section.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

General

There will be no surface disturbance from buildings or structures. The Division has determined that no additional bonding amount will be required. All mining activities will occur underground.

Findings:

The information provided has met the minimum requirements of this section.

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RECLAMATION PLAN

CUMULATIVE HYDROLOGIC IMPACT ASSESSMENT (CHIA)

Regulatory Reference: 30 CFR Sec. 784.14; R645-301-730.

Analysis:

The IBC lies within the existing cumulative hydrologic impact area. This document will not need to be changed.

Findings:

The information provided has met the minimum requirements of this section.

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