

May 5, 2003

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

Re: Approval of Amendment to Subside Lawrence Reservoir, Canyon Fuel Company, LLC, Skyline Mine, C/007/005-AM03E, Outgoing File

Dear Mr. Meadors:

The Division has completed the review of the above-referenced amendment. Consultation with other agencies was part of the review process. The amendment is hereby approved, effective May 2, 2003, with the following stipulations:

- Canyon Fuel must provide detailed stream (thalweg) profiles of the lower portion of Burnout Creek with photographic documentation (before and after subsiding the area) of stream channel changes, as well as flow monitoring. This information should tie in with the ongoing Burnout Creek study including macroinvertebrate population studies. An amendment to Canyon Fuel's MRP that addresses these stipulations, documents the current conditions and commits to mitigation for damages, must be submitted by June 30, 2003.

A stamped incorporated copy of the approved amendment is enclosed for your copy of the Mining and Reclamation Plan. A copy of the Technical Analysis is also enclosed.

The original amendment can be incorporated as it was submitted. However, there was an error in the text on page 1-35. That being the case, those federal agencies that previously received the amendment can simply add the corrected page to their application and incorporate it into their existing copy of the Mining and Reclamation Plan.

Page 2
Dan Meadors
May 5, 2003

If you have any questions, please feel free to call me at (801) 538-5325.

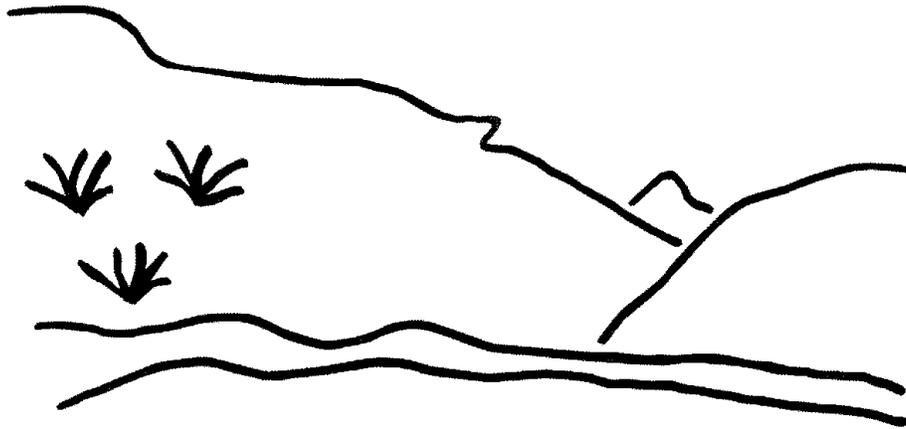
Sincerely,

Daron R. Haddock
Permit Supervisor

an
Enclosure

cc: Ranvir Singh, OSM
Jim Kohler, BLM
Melissa Blackwell, USFS
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office
O:\007005.SKY\FINAL\AppOrig03E.doc

State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Skyline Mine
Subsidence of Lawrence Reservoir
C/007/005-AM03E
Technical Analysis
May 1, 2003

TECHNICAL ANALYSIS

The Division ensures compliance with 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 Lawrence Reservoir - proposed in 1938 - was never built and the Utah State Engineer's Office closed the case file on August 8, 1961. When Federal Coal Lease UTU-044076 was initially issued, the area projected to be covered by the proposed Lawrence Reservoir was excluded from the lease, but on March 27, 2001 the BLM added the area to the lease. Copies of the March 27 letter from the BLM adding the reservoir site to Federal Coal Lease UTU-044076 and stating the stipulations was included as Exhibit 1.14-3 in the current MRP.

On April 8, 2002, BLM approved the Minor Modification to develop longwall panels 12 Left "A" and 12 Left "B" except for the mining under the old "Lawrence Reservoir site". Inclusion of the reservoir site in the Skyline Mine MRP was conditionally approved by the Division in TA C/007/005-02F dated July 16, 2002, but only first mining was allowed. Final approval was on August 14, 2002.

The BLM determined that impacts related to subsiding this area had been adequately addressed in previous NEPA documents, and in a certified letter to Skyline Mine dated March 17, 2003, the BLM approved longwall recovery of the 12 Left "A" panel that underlies a portion of the now-abandoned Lawrence Reservoir site. (NOTE: the March 17 letter contained a typographical error and stated that longwall recovery in panel 12 Left "B" had been approved, but the accompanying map correctly showed panel "A". An April 29, 2003 e-mail from Stan Perkes of BLM to Pam Grubaugh-Littig confirmed that the map is correct and the March 17 letter should state 12 Left "A". BLM will follow-up the e-mail with a letter confirming the correction.) As part of amendment C/007/005 AM03E, a copy of the March 17 letter has been submitted for inclusion in the MRP.

Approximately 2.5 acres of the abandoned Lawrence Reservoir site within Burnout Canyon will be mined with the longwall method. The remainder of the abandoned reservoir site will not be undermined or affected by the proposed mining. The 2.5 acres are within the mine's current subsidence monitoring area. The BLM has stipulated that the area will be monitored for surface effects due to subsidence. The Permittee states in the cover letter to this amendment that while mining is occurring in this area – expected to last approximately 45 days - weekly site visits to inspect the ground surface will occur; however, this specific commitment is not found in the MRP.

Water monitoring sites in Burnout Canyon are in place and are part of both the MRP and USFS monitoring requirements. Skyline believes no additional water monitoring sites are needed to monitor potential impacts of subsidence in this area of Burnout Canyon Creek. The Permittee states in the cover letter to this amendment that semi-weekly monitoring of the flows in Burnout Canyon will continue; however, this specific commitment is not found in the MRP.

INTRODUCTION

If any impacts due to mining-induced subsidence are observed, the Division, BLM, and Forest will be notified immediately. Any impacts to the stream and ground surface will be mitigated employing the mitigation techniques described in the existing MRP.

GENERAL CONTENTS

RIGHT OF ENTRY

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

Analysis:

Copies of the letter from the BLM that adds the reservoir site to Federal Coal Lease UTU-044076 and states the stipulations was included as Exhibit 1.14-3 in the current MRP. Inclusion of the reservoir site in the Skyline Mine permit was conditionally approved by the Division in TA C/007/005-02F dated July 16, 2002. Final approval was on August 14, 2002, but only first mining was allowed.

The BLM determined that impacts related to subsiding this area had been adequately addressed in previous NEPA documents, and in a certified letter to Skyline Mine dated March 17, 2003, the BLM approved longwall recovery of the 12 Left "A" panel. 12 Left "A" underlies a portion of the now-abandoned Lawrence Reservoir site. (NOTE: the March 17 letter contained a typographical error and stated that longwall recovery in panel 12 Left "B" had been approved, but the accompanying map correctly showed panel "A". An April 29, 2003 e-mail from Stan Perkes of the BLM to Pam Grubaugh-Littig confirmed that the map is correct and the March 17 letter should state 12 Left "A". BLM will follow-up the e-mail with a letter confirming the correction.) A copy of the March 17 letter is included as part of amendment C/007/005 AM03E.

The Permittee's submittal also initially identified the panel under the Lawrence Reservoir site as 12 Left "B" rather than "A", but a corrected copy of page 1-35 was faxed to the Division on May 1, 2003 and used to rectify this amendment.

Findings:

Right of Entry information is adequate to meet the requirements of the Coal Mining Rules

OPERATION PLAN

OPERATION PLAN

COAL RECOVERY

Regulatory Reference: 30 CFR 817.59; R645-301-522.

Analysis:

In a letter dated March 17, 2003 and sent certified mail to Skyline Mine, the BLM approved longwall recovery of the 12 Left "A" panel that underlies a portion of the now-abandoned Lawrence Reservoir site (see NOTE in Right of Entry section). One stipulation limits the height of the panels next to the "virgin coal abutment pillar" under Burnout Creek. The mine-working map did not need to be updated because the map approved in TA C/007/005 SR02I on April 24, 2001 included mining under the Lawrence Reservoir area, even though longwall mining was not approved at that time.

Findings:

The permittee has met the minimum requirements of the Coal Recovery 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

In a letter dated March 17, 2003 and sent certified mail to Skyline Mine, the BLM approved longwall recovery of the 12 Left "A" panel that underlies a portion of the now-abandoned Lawrence Reservoir site (see NOTE in Right of Entry section). The BLM further determined that impacts related to subsiding this area had been adequately addressed in previous NEPA documents. The March 17 approval letter had 5 stipulations with which the operator will comply, including monitoring for surface effects due to subsidence. The cover letter for this amendment states that while mining is occurring in this area, expected to last approximately 45 days, weekly site visits to inspect the ground surface will occur, but this commitment was not found in the MRP.

Findings:

The permittee has met the minimum requirements of the Subsidence Control Plan section.

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:

Groundwater Monitoring

Burnout Creek is monitored in or near the Lawrence Reservoir site at station CS-7, and there are two monitored springs and two water-monitoring wells higher in the drainage (Dwg. No. 2.3.6-1). The Permittee states in the cover letter that it believes no additional water monitoring sites are needed to monitor potential impacts of subsidence in this area of Burnout Canyon Creek.

Surface Water Monitoring

Burnout Creek is monitored at station CS-7 just below the Lawrence Reservoir site, and there are four other flumes higher in the drainage (Dwg. No. 2.3.6-1). The Permittee states in the cover letter that it believes no additional water monitoring sites are needed to monitor potential impacts of subsidence in this area of Burnout Canyon Creek.

Findings:

The permittee has met the minimum requirements of the Hydrologic Information section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

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

OPERATION PLAN

Analysis:

Mine Workings Maps

The mine-working map did not need to be updated because Drawing 3.1.8-2 approved in amendment C/007/005 SR02I and incorporated into the MRP on December 2, 2002 included mining under the Lawrence Reservoir area (though longwall mining was not approved at that time).

Findings:

The permittee has met the minimum requirements of this section.