



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 23, 2005

Wess Sorenson, Mine Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Subject: North Lease Subsidence Mining, Canyon Fuel Company LLC, Skyline Mine, C/007/0005, Task ID #1976, Outgoing File

Dear Mr. Sorenson:

The Division reviewed the North Lease Subsidence Mining amendment that we received on July 1, 2004. The purpose the amendment was to enable the Permittee to conduct full extraction mining (longwall mining) under and adjacent to Woods Creek and Winter Quarter Creek. This review included Forest Service comments.

The Division has determined that the information in the amended plan is inadequate. A list of the technical deficiencies is included in this letter. Before the Division can approve the amendment, the following deficiencies must be adequately addressed.

The initials of the reviewer are at the end of each deficiency. If you have any question, comments or need additional clarification please contact the individual reviewer.

R645-301-121.200, The Permittee must clarify the following pagination issues: pages 2-62, 2-63a through 2-63d are missing from the application and must be included. Page 2-132 is incomplete; the Permittee must submit a complete copy of page 2-132. (JAE)

R645-301-322.100, The Permittee must include in the vegetation surveys site descriptions, a stream channel map, productivity information for riparian and wetland areas, and the total acreage for each vegetation type for the North Lease stream channels. Some or all of these items were not part of the Level II survey in 2002. (JAE)

R645-301-322.220, The Permittee must commit to and describe plans to conduct vegetation surveys one and five years after undermining the North Lease stream channels. (JAE)

R645-301-322.100, The Permittee must resend the report: *Baseline monitoring of the benthos in Winter Quarters Canyon Creek and Woods Canyon Creek* along with a cover sheet and C1C2 form for this amendment. Provide the missing fish survey report for Winter Quarters and Woods stream. Provide the commitment to survey for amphibians and for their habitat, focusing especially on the boreal toad and spotted frog. Clarify the timing of the surveys, survey during the optimum season for sitings, and use the best methods recommended by the Division and USFS. Provide commitments to survey for goshawks and three-toed woodpecker, as well as clarify the timing of the surveys. (JAE)

R645-301-322, The Permittee must commit to conducting raptor surveys to obtain baseline data within one year before subsidence of cliff habitat. The Permittee must conduct surveys within one year if they observed any nests during the baseline surveys and if operations result in subsidence. (JAE)

R645-301-333.300, If the Permittee's baseline surveys find individuals of the following species: amphibians, northern goshawk, three-toed woodpecker, then the Permittee must describe the protection methods in the MRP. (JAE)

R645-301-333, The Permittee must address possible adverse affects to the four Colorado River fish species by providing all equations and justifications with supporting documentation leading to the overall sum of water depletions or additions for all mining operations and explorations including dust control. The Permittee may use the following paper as a guideline "Windy Gap Process as It Applies to Existing Coal Mines in the Upper Colorado River Basin". (JAE)

R645-301-333.300, If the vegetation survey results identify surface effects that are diminishing habitat, the MRP must describe protection measures. (JAE)

R645-301-322.220, The Permittee must commit and describe plans to conduct the aerial surveys one and five years after undermining the North Lease area. (JAE)

R645-301-121.200, The Permittee must update all sections of the MRP that pertain to mining the North Lease. The updates must include all

maps and drawings as well as text. In the MRP, there are sections and maps with statements that first mining only will take place in the North Lease area. (WHW)

R645-301-522, The Permittee must update the plan for maximum economic coal recovery so that it includes information about the North Lease. The Permittee could address this deficiency by updating the information about the R2P2 in the MRP. (WHW)

R645-301-525.420, Drawing 4.17.1-1, Extent of Planned and Subsidence Areas, must show the extent of maximum possible subsidence in the North Lease area. The Permittee must also include a discussion of how subsidence will be affected by faults in the area, such as focused subsidence. In addition, the Permittee must address these items: 1) the potential for subsidence induced escarpment failures or landslides, 2) damage to existing structures (trails) and potential damage or alteration of flow to perennial streams. The Permittee must also state why they expect only 2 to 4 feet of subsidence if they mine 9 to 11 feet of coal. (WHW)

R645-301-525.440 and R645-525.490, The Permittee must incorporate a plan to have an on-the-ground survey for the surface area over each panel mined. The Permittee must conduct the survey no earlier than six months, but no more than twelve months after mining of the each panel ceases. (WHW)

R645-301-525.460, The Permittee must submit a detailed description of the anticipated effects of subsidence for the North Lease area. The description must contain site-specific references such as analysis of annual subsidence reports for mines in the area and other historical information. The Permittee must specifically state the anticipated effects of subsidence that may impact perennial streams in the North Lease area. The Permittee must also state why they projected surface cracks to occur on the hillsides but not within the valley bottoms. (WHW)

R645-301-525.440, The Permittee must update the subsidence-monitoring program by incorporating the data they have collected since 1988. In Section 4.17.4 of the MRP, the Permittee committed to update the monitoring program as more data became available. (WHW)

R645-301-525.480, The Permittee must describe the methods that they could use to repair perennial stream channels. The description must include references stating the results of such methods in similar conditions. (WHW)

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R645-301-122, The Permittee must include references for claims that the Blackhawk Formation contains benonite clays and that the clays will seal subsidence cracks. The Permittee must also give specific references for the in-situ stress studies in Section 2.2.6 of the MRP. (WHW)

R645-301-728.333, The Permittee must provide a more detailed discussion of the effects of subsidence to Woods Canyon and Winter Quarters Canyon Creeks, specifically addressing the potential of lowering the stream gradient. The Division needs to know if subsidence changes to the stream gradient could cause ponds to form, or if increases to the stream gradient would cause increased erosion. (DD)

R645-301-731.200, The Permittee must provide a brief explanation of the rationale used in selecting both the ground- and surface- water monitoring sites. (DD)

In order for us to continue to process your application, please respond to these deficiencies by March 25, 2005.

If you have any questions, please call me at (801) 538-5286 or Wayne Western at (801) 538-5263.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

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cc: Price Field Office
Alice Carlton, Forest Service
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