

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

E
#3258

May 7, 2009

TO: Internal File

THRU: Jim Smith, Permit Supervisor / Environmental Scientist III
Priscilla Burton, Team Lead / Environmental Scientist III / Team Lead

FROM: Peter Hess, Environmental Scientist III / Engineering / Bonding

RE: Fuel Storage Containment Structures, Canyon Fuel Company, LLC,
Skyline Mine, C/007/005, Task ID # 3258**SUMMARY:**

The Permittee submitted a permit revision to the Division on March 31, 2009 to add an addition to the fuel storage containments located SSE of the main coal stockpile area at the Skyline Mine. The need for the new to-be-constructed fuel containment addition is to enhance the water pollution control facilities located at Skyline and bring this utility installation into compliance with new EPA regulations defined in 40 CFR 112. According to EPA guidelines, the containment structures need to be functioning before July 1, 2009.

TECHNICAL ANALYSIS:**OPERATION PLAN****SUPPORT FACILITIES AND UTILITY INSTALLATIONS**

Regulatory Reference: 30 CFR Sec. 784.30, 817.180, 817.181; R645-301-526.

Analysis:

The Permittee is proposing to make modifications to the bulk fuel storage containment and transfer dock in order to bring this utility installation into compliance with new EPA requirements for such facilities. This modification will become part of the

water pollution control facilities at the Skyline Mine and will be included as part of the spill prevention control and countermeasure plan.

Detailed design drawings for this modification to the fuel containment and fuel transfer area are included (Plates 3.2.5-2a and 3.2.5-2b). Pad construction will involve pouring of 124 cubic yards of steel reinforced concrete.

The reclamation / disposal of the 124 yards of concrete (161 yards, demolished) will involve on site burial by placement in voids such as "mine portals, or buried and covered with a minimum of four feet of material..." (See Chapter 4, section 4.4.1 Backfill and Compaction, page 4-27, incorporated May 23, 1993 in the OGM approved mining and reclamation plan).

Findings:

The Task ID # 3258 application meets the minimum regulatory requirements of the R645 Coal Mining Rules.

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.

Analysis:

Mining Facilities Maps

The permit application contains a revised Plate 3.2.1-1, **Mine Surface Facilities**, which shows the location where the addition to the fuel containment and off-loading facility will receive modification. The extent of these modifications are depicted in this plan view. The location of this facility is 450 feet SSE of the main coal stockpile stacking tube.

Also contained in this application are detailed design drawings for the fuel containment addition, Plates 3.2.5-2a and 3.2.5-2b.

Plate 3.2.5-2a depicts a plan view and cross sections A-A' and B-B' with dimensions for the fuel transport containment.

Plate 3.2.5-2b depicts a plan view and cross-section C-C' for the wood shed containment.

Both Plates 3.2.5-2a and 3.2.5-2b are provided as part of the Spill Prevention Control and Countermeasure Plan modification for the Skyline Mine bulk fuel storage facility.

Certification Requirements

Plate 3.2.1-1, **Mine Surface Facilities** is certified by a Utah registered professional engineer (Mr. Carl W. Winters) which meets the requirements of R645-301-512.120, Surface Facilities and Operations.

Plates 3.2.5-2a and 3.2.5-2b are also P.E. certified by Mr. Winters, in accordance with the certification requirement of R645-301-512.140, Hydrology.

Findings:

The Task ID # 3258 application meets the requirements of this section of the R645 Coal Mining Rules.

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

General

Detailed design drawings for this modification to the fuel containment and fuel transfer area are included (Plates 3.2.5-2a and 3.2.5-2b). Pad construction will involve pouring of 124 cubic yards of steel reinforced concrete.

The reclamation / disposal of the 124 yards of concrete (161 cubic yards, demolished) will involve on site burial by placement in voids such as "mine portals, or buried and covered with a minimum of four feet of material..." (See Chapter 4, section 4.4.1 Backfill and Compaction, page 4-27, incorporated May 23, 1993 in the OGM approved mining and reclamation plan).

Determination of Bond Amount

The Permittee has submitted a revised demolition cost spread sheet for the Fuel Storage 22 structure. This spread sheet includes cost estimates for demolition of the fuel shed containment, and the 124 cubic yards of concrete, as well as the loading, hauling and on-site disposal of the 161 cubic yards of concrete waste material.

The total reclamation cost for this new addition is estimated at \$ 2, 954 dollars.

The amount of bond currently posted for the Skyline Mine is \$ 5,137,000.

The amount of bond required to reclaim this site has been escalated to 2009 dollars and amounts to \$ 4, 855,400. An excess amount of \$ 282,000 exists between the amount of bond posted and the amount necessary to reclaim the site.

Findings:

Task ID # 3258 meets the minimum regulatory requirements of this section of the R645 Coal Mining Rules.

RECOMMENDATION

The Task ID # 3258 application should be approved.