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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

June 8, 2012

TO: Internal File

THRU: Daron Haddock, Coal Program Manager *DRH*

FROM: Priscilla Burton, CPSSc, Environmental Scientist III *Priscilla Burton*

RE: North Lease Permit Modification, Canyon Fuel Company, Skyline Mine, C/007/0005, Task #4092

SUMMARY:

On May 2, 2012, the Division received the first electronic permit application. The application from Canyon Fuel Co., LLC is for a 770.52 acre Significant Revision for the North Lease, BLM Coal Lease UTU-67939, of the Skyline Mine. The lease modification will add panels 13 – 15 Left, extending mining beneath Granger Ridge into Sections 25, 26 and 34 in T 12 S, R 6 E, refer to Dwg. 3.3-2. Drawing 1.6-1 shows the surface is owned by D. Euray Allred and Madelyn E. Allred Trust and the United States, managed by the U.S. Forest Service.

The following information is requested prior to approval:

R645-301-121.200 and R645-301-114, Changes made to Table 1.114 in the revision do not appear to be simply the total federal lease acreage + an additional 770.52 acres. Please indicate why the total federal coal lease acreage increases by greater than 770.52 acres in the new Table 1.114 and why the total non-federal lease acreage figure in Table 1.114 has increased. Secondly, please indicate why the total underground coal mining and reclamation lease acreage on p. 1-39 is greater than total lease acreage (given on Table 1.114) + surface disturbance acreage (given on p. 1-37).

R645-300-121.120, The draft for publication will be revised prior to publication to include a map to clearly identify the location of the lease expansion location (R645-301-121.120).

not required by DRH

R645-301-120.122, Please include the correspondence from Joe Dyer, NRCS in Appendix Volume A-2 as described on p. 2-161 of Section 2.14.

R645-301-525.700, As a condition of approval, notification letters must be sent to the water conservancy district and surface owners.

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TECHNICAL ANALYSIS:

GENERAL CONTENTS

RIGHT OF ENTRY

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

Analysis:

The coal lease information is found in Section 114 and Appendix 118A of the application. Lease areas are shown in red on Drawing 1.6-3. Permit (disturbed area) is shown in green on Drawing 1.6-3. In some cases (the loadout and the buried power line), the permit and adjacent areas match. The lease area boundary legal description was revised to reflect approximate lease boundaries.

The May 2012 application from Canyon Fuel Co., LLC is for a 770.52 acre Significant Revision for the North Lease, BLM Coal Lease UTU-67939, of the Skyline Mine. Table 1.114 records the increase in the total federal lease acreage. Changes made to Table 1.114 in the revision do not appear to be simply the total federal lease acreage + an additional 770.52 acres. Please indicate why the total federal coal lease acreage increases by greater than 770.52 acres in the new Table 1.114 and why the total non-federal lease acreage figure in Table 1.114 has increased. Secondly, please indicate why the total underground coal mining and reclamation lease acreage on p. 1-39 is greater than total lease acreage (given on Table 1.114) + surface disturbance acreage (given on p. 1-37).

The total subsurface acreage for the No. 3 mine will be 3,810.06 acres (p. 1-36), an increase of 25%. The lease modification will add panels 13 – 15 Left, extending mining beneath Granger Ridge into Sections 25, 26 and in the NE1/4NE1/4 Sec 34 in T 12 S, R 6 E, refer to Dwg. 3.3-2.

Drawing 1.6-1 shows the surface is owned by D. Euray Allred and Madelyn E. Allred Trust and the United States, managed by the U.S. Forest Service. This information has not changed.

With regard to the January 2011 IBC, the warranty deed from Peabody Natural Resources is found in Appendix 118A and provide the rights to mine the coal in T 13 S, R 6 E, Section 36, S/2N/2, N/2S/2. As can be seen on Drawing 1.6-3 only a portion of the fee coal conveyed by the warranty deed will be mined.

As a condition of approval, notification letters must be sent as required by R645-301-525.700.

Findings:

Prior to approval, the following information is requested in accordance with:

R645-301-121.200 and R645-301-114, Changes made to Table 1.114 in the revision do not appear to be simply the total federal lease acreage + an additional 770.52 acres. Please indicate why the total federal coal lease acreage increases by greater than 770.52 acres in the new Table 1.114 and why the total non-federal lease acreage figure in Table 1.114 has increased. Secondly, please indicate why the total underground coal mining and reclamation lease acreage on p. 1-39 is greater than total lease acreage (given on Table 1.114) + surface disturbance acreage (given on p. 1-37).

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

A draft public notice was included with the application. I spoke with Gregg Galecki and requested that a map be included in the notice prior to publication. Mr. Galecki agreed to revise the notice accordingly.

Findings:

R645-300-121.120, The draft for publication will be revised prior to publication to include a map to clearly identify the location of the lease expansion location (R645-301-121.120).

PRIME FARMLAND

Regulatory Reference: 30 CFR 785.16, 823; R645-301-221, -302-270.

Analysis:

The application updated the prime farmland discussion in Sec. 2.14 p. 2-161, but did not provide the referenced correspondence from Joe Dyer in Appendix Volume A-2.

Findings:

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R645-301-120.122, Please include the correspondence from Joe Dyer, NRCS in Appendix Volume A-2 as described on p. 2-161 of Section 2.14.

SUBSIDENCE CONTROL PLAN

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

Analysis:

Notification

A reminder of the notification requirements of R645-301-525.700 will be included as a condition of approval.

Findings:

R645-301-525.700, As a condition of approval, notification letters must be sent to the water conservancy district and surface owners.

RECOMMENDATIONS:

The application should not be approved until the requested information is received. As a condition of approval, notification letters must be sent as required by R645-301-525.700.