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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

January 3, 2013

TO: Internal File

THRU: Daron Haddock, Coal Program Manager *DQH*

FROM: Priscilla Burton, CPSSc, Team Lead *pwb m/sas*

RE: North Lease Permit Modification, Canyon Fuel Company, Skyline Mine, C/007/0005, Task #4208

SUMMARY:

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 application is recommended for approval.

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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. The lease area boundary legal description was revised to reflect approximate lease boundaries.

The 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 and reflects the active lease acreage described in the narrative in MRP Section 114. The acreage approved for underground coal mining and reclamation stated on p. 1-39 is 10,733.38 acres. This acreage is equal to the total active lease acreage (10,611.41 acres given on Table 1.114) plus the surface disturbance acreage of 121.97 acres (stated 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 provides 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.

Findings:

The right of entry documentation provided meets the requirements of the Utah Coal Mining Rules.

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 on June 13, 2012 and suggested that a map be included in the notice prior to publication. Mr. Galecki preferred to use only a narrative description which meets the minimum requirements of R645-301-121.120.

Findings:

The application meets the minimum requirements of the Coal Mine Rules for public notice.

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, and provided the referenced correspondence from Joe Dyer in Appendix Volume A-2. The Division concurs with the NRCS evaluation.

Findings:

The application meets the requirements for prime farmland evaluation.

SUBSIDENCE CONTROL PLAN

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

Analysis:

Notification

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Draft copies of the notification letters required by R645-301-525.700 have been included in the application.

Findings:

The application meets the requirements of the subsidence control plan and is aware of the requirement for notification (R645-301-525.700) six months prior to undermining.

RECOMMENDATIONS:

The application is recommended for approval.