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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Outgoing
C0070005
#4208
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January 31, 2013

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

Subject: North Lease Permit Revision, Task ID #4208, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005

Dear Mr. Sorenson:

The Division has reviewed your application for the North Lease Permit Revision. The Division has identified deficiencies in addressing the hydrology (R645-301-700) section of the Utah Coal Mining Rules. The deficiencies are listed as an attachment to this letter. The initials of the deficiencies author are provided so that your staff can communicate directly with that individual should questions arise.

The plans as submitted are incomplete. Please revise the application accordingly and resubmit the entire package in order for us to complete the processing of your permit revision.

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

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/PWB/sqs
cc: Price Field Office
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Deficiency List
Task No. 4208
North Lease Permit Amendment

Members of the review team with outstanding deficiencies: Ken Hoffman [KMH]

R645.301.724.100 The application must include the location and ownership for the permit and adjacent areas of existing wells, springs and other ground-water sources, seasonal quality and quantity of ground water, and usage. Water quality descriptions will include, at minimum baseline information on, total dissolved solids or specific conductance corrected to 25 degrees C, pH, total iron, and total manganese. Ground-water quantity descriptions will include, at a minimum, approximate rates of discharge or usage. The amendment lacks the required monitoring parameters, sufficient data to show seasonal variation, and usage data. For amendment approval one spring/summer and one fall sample are required from the same water year to demonstrate seasonal variation. [KMH]

R645.301.724.100 The application must include information on the status of water right 91-3916 and why no sampling was conducted. [KMH]

R645.301.731.200 The application must include the name location, ownership and description of all surface-water bodies such as streams, lakes and impoundments, and information on surface-water quality and quantity sufficient to demonstrate seasonal variation and water usage. Surface water baseline quality descriptions will include, at minimum baseline information on total suspended solids, total dissolved solids or specific conductance corrected to 25 degrees C, pH, total iron, total manganese and flow. The amendment lacks the required monitoring parameters, sufficient data to show seasonal variation, and usage data. For amendment approval one spring/summer and one fall sample are required from the same water year to demonstrate seasonal variation. [KMH]

R645.301.724 & R645.301.731.200 The permittee shall conduct a field investigation with the Division of Water Rights to ensure all water rights in the immediate area around the lease expansion are included and to assist in evaluating which locations require long term sampling. [KMH]

R645.301.728.100 The PHC is inadequate with regard to the proposed lease expansion area. The application shall contain a determination of the probable hydrologic consequences (PHC) of the proposed operation based upon the quality and quantity of surface and ground water under seasonal flow conditions for the proposed permit and adjacent areas. The permittee shall complete collection of baseline information on seasonal water quality and quantity from the same water year and then update the PHC utilizing this information. [KMH]

R645.301.728.200 PHC determination shall be based on baseline hydrologic, geologic, and other information collected for the permit application and may include data statistically representative of the site [KMH]

R645.301.728.300 The PHC determination shall include findings on: whether adverse impacts may occur to the hydrologic balance; whether acid-forming or toxic-forming materials are present that could result in the contamination of surface or ground water supplies; and, what impact the proposed operation will have on sediment yield from the disturbed area; acidity, total suspended and dissolved solids, and other important water quality parameters of local impact; flooding or stream flow alteration; ground water and surface water availability; and other characteristics as required. [KMH]

R645.301.728.310 The PHC determination shall include findings on: whether adverse impacts may occur to the hydrologic balance. This finding must also include a determination on impacts to Wife Creek, Andrew Dairy Creek, East Fork Andrew Dairy Creek, Fish Creek and Scofield Reservoir. [KMH]

R645.301.731.211 & R645.301.731.221 Based on the completed PHC the need for groundwater monitoring and surface water monitoring will need to be reevaluated. If the required water monitoring parameters of total iron and total manganese are not to be included in the monitoring plan it must discuss what parameters are to be excluded and why it is not needed. [KMH]