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Technical Analysis and Findings
Utah Coal Regulatory Program

PID: C0070005
TaskID: 4657
Mine Name: SKYLINE MINE
Title: MIDTERM PERMIT REVIEW

General Contents

Identification of Interest

Analysis:

An AVS Evaluation was conducted on October 14, 2014. No anomalies were found for Ownership and Control. The information provided meets the requirements of the Utah Coal Rules.

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Environmental Resource Information

Historic and Archeological Resource Information

Analysis:

The annual report does not address Cultural Resources and the potential impacts from subsidence.

Deficiencies Details:

The Permittee must provide a written description of how permit section 17 of the permit is being met per R645-300-143. The upcoming 2014 annual report must include information regarding this requirement and how it is being monitored. No action required at this time.

Ireinhart

Fish and Wildlife Resource Information

Analysis:

The 2013 annual report is not adequate to determine if subsidence may have resulted in loss of habitat. The Fall 2013 Cutthroat Trout Population Density Survey was received by DOGM after the annual report was reviewed (7/21/14). Therefore, additional deficiencies are contained herein.

Deficiencies Details:

R645-301-143, Pursuant to Section 2.2.13 and 4.17 of the MRP, the permittee must provide information regarding subsidence that results in impacts to wildlife. Such information is appropriate in the annual report. No action required at this time but future annual reports need to include, at minimum, a statement regarding measures taken to determine if impacts have been made.

R645-300-143, Pursuant to the MRP (updated 10/22/13), Although overlooked in the "Future Commitments and Conditions" section of the 2013 annual report, Three-toed woodpecker reports are anticipated in the 2014 annual report. No action required at this time.

The Fall 2013 Cutthroat Trout Population Density survey (received 7/21/14) indicated potential impacts of fishing mortality or siltation in the Below Pad station. Recommend consultation with DOGM, DWR, and USFS Biologists' to determine best course of action.

Ireinhart

Operation Plan

Mining Operations and Facilities

Analysis:

As part of the midterm review of the Skyline permit the commitments contained in the current permit and MRP were reviewed. Skyline continues to submit annual reports that include map updates of the cumulative subsidence, Skyline Mine as mined, and Skyline Mine as projected. The engineering updates commitments should continue as currently defined.

cparker

Hydrologic General

Analysis:

With the commencement of the midterm review of the Skyline permit, hydrology commitments contained in the current permit and MRP were reviewed. Skyline continues to submit monthly spreadsheets summarizing pumped water flows to Electric Lake and Eccles Creek, this is still relevant information that should be continued. Skyline continues to submit quarterly water monitoring data, this includes a number of sites that are routinely sampled for age-dating. The hydrology commitments should continue as currently defined.

adaniels

Maps Affected Area

Analysis:

As part of the midterm review of the Skyline the commitments contained in the current permit and MRP were reviewed. The permittee continues to submit map updates of the cumulative subsidence, Skyline Mine as mined, and Skyline Mine as projected in the annual reports.

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Reclamation Plan

Bonding Determination of Amount

Analysis:

In accordance with R645-303-211 an evaluation of Skyline's reclamation bond was conducted to ensure that coverage adequately addresses permit changes approved subsequent to permit approval or renewal, and to ensure that the bond amount is appropriately escalated in current-year dollars. Escalation factors were determined from the Historic Cost Index for Site Construction. The line items in the cost estimates provided in Skyline's MRP were updated to 2014 dollars. Since the last review of the Permittee's bond, the Division has reviewed and approved several amendments to the main facilities at

Skyline since 2009 including:

Rail Loadout (Task # 3360)
Winter Quarters Ventilation Facility (Task # 3416/3463/3504/3549)
Ambulance shed (Task # 3503)
Rail Loadout Asphalt and Concrete (Task #3545)
Winter Quarters Access Road (Task # 3597)
Incidental Boundary Change (Task #3615/3727)
Truck Loadout Asphalt(Task # 4706)
Culvert Replacement (Task#4709)
Rail Loadout Asphalt (Task #4708)

Deficiencies Details:

R645-301-830.140 Please provide updated information using 2014 unit costs for the line items of Demolition, Regrading/Earthwork, and Revegetation from the current edition of respective cost data manuals. There appears to be an error in the escalation equation, presumably the year and escalation rate were switched. Escalated $=(\$*(1+rate)^{year})$. The revegetation total on the Total summary sheet doesn't match the revegetation subtotal sheet, the total sheet should be fixed to match what the subtotal shows of \$866,367.50.

The total reclamation costs must then be escalated to 2019 using the Division approved 1.019 rate for 2014. The current surety Bond was posted September 19, 2009 for \$5,137,000 (09 Dollars). Bond estimate calculations were updated using the State's 2014 escalation factor of 1.9% calculated from the Historic Cost Index for Site Construction (EscalationMemo2014).

The total disturbed area for the site is now 122.31 acres, since the last review of the Permittee's bond, the Division has reviewed and approved several amendments to the main facilities at Skyline since 2009 including:

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Winter Quarters Ventilation Facility (Task # 3416/3463/3504/3549)
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