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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Division Director

March 16, 2015

Carl Winters, Mine Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Subject: Administrative Completeness Review, Flat Canyon Lease Addition, Task ID#4806, Skyline Mine, C007/0005

Dear Mr. Winters:

The Division has completed an administrative completeness review on the Flat Canyon lease addition submitted on February 27, 2015. Your application is considered to be administratively complete with one or two exceptions, that being the right-of-entry information and possibly any unsuitability determination made during the leasing action. Until you have acquired the lease covering this Flat Canyon area, your application cannot be determined complete, however, we will now commence our technical review in an effort to expedite your application once the lease is issued. Deficiencies identified during the technical review will also need to be corrected prior to permit issuance.

You should notify us as soon as you have acquired the Flat Canyon Lease. We look forward to working with you through the permitting process. Please call me at 801-538-5325 if you have any questions.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Attachment
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**ADMINISTRATIVE COMPLETENESS REVIEW WORKSHEET
(R645-100)**

DATE: 3/9/15

REVIEWER(S): Lisa Reinhart, Priscilla Burton, Suzanne Steab, Cheryl Parker, Amanda Daniels, Daron Haddock

APPLICANT: Canyon Fuel Company

MINE NAME: Skyline Mine **FILE NO.:** 007/0005

"Administratively Complete Application" means an application for permit approval or approval for coal exploration, where required, which the Division determines to contain information addressing each application requirement of the State Program and to contain all information necessary to initiate processing and public review.

Directions: The categories listed below correspond to the minimum requirements for information necessary to initiate processing and public review. If a category is checked the Applicant has met the Completeness requirement for that category. If a category is not checked, the Completeness requirements have not been met. The comments column will identify the deficiency and what is necessary to correct it.

			Comments
301-112	Identification of Interests	<u>X</u>	Refer to General Chapter 1, dated Jan 16, 2015 and Chapter 1 (112.500 - 112.800) of MRP updated 1/3/14 with North Lease Permit Modification approval.
100	Applicant's Business Structure	<u>NA</u>	no change to existing permit
210	Applicant's Name/Address/Phone	<u>NA</u>	Canyon Fuel Co., LLC ; 225 North 5th St. Ste 900; Grand Junction CO 81501
220	Resident Agent's Name/Address/Phone	<u>NA</u>	no change to existing permit
230	Name/Address/Phone of AML Fees Payer	<u>NA</u>	no change to existing permit
300	Corporate Structure & Ownership	<u>NA</u>	no change to existing permit
400	Identify Other Mining Operations in US	<u>NA</u>	no change to existing permit
500	Surface & Mineral Ownership	<u>X</u>	Plate 1.6-3. Lease of 2,692.16 acres in T 13 S R 6 E, portions of Sec 21, Sec 28, Sec 33 and T 14 S, R 6 E, portions of Sec 4 and 5. USFS surface managing agency. Federal coal (BLM). Table 1.114 and pp. 1-32 and 1-39.
600	Ownership Contiguous to Permit	<u>X</u>	Plate 1.6-3 and Plate 1.6-2 and Section 112.600
700	MSHA Numbers	<u>NA</u>	no change to existing permit

800	Interest in Contiguous Lands	<u>X</u>	p 1-24
301-113	Violation Information	<u>NA</u>	No change to existing General Chapter 1 dated Jan 16, 2015. AVS Evaluation ran 3/10/15, No Violations listed.
100	Suspension or Revocation Information	<u>NA</u>	
300	List of Violations - 3 Previous Years	<u>NA</u>	no change to existing Table 1-2 dated June 30, 2014.
301-114	Right of Entry	—	Federal lease UTU-771114 has not been awarded by the BLM. Anticipated date for lease award is mid-2015 Appendix 118 A has proposed notification letters.
301-115	Status of Unsuitability Claims	—	To be determined by lease award.
301-116	Permit Term	<u>X</u>	Existing permit issued 2012; permit expires April 30, 2017. Permit carries a right of successive renewal. This lease will extend the permit term an additional 5 years.
301-117	Insurance	—	no change to General Chapter 1 dated Jan 15, 2015
	Proof of Publication	<u>X</u>	see App. 118A for a draft of the public notice for Lease UTU-771114 (2,692.16 acres)
	Facilities and Structures Used in Common	<u>NA</u>	
301-118	Filing Fee	<u>NA</u>	
301-123	Notarized Signature of Responsible Official	<u>X</u>	Carl Winters

301-130	<p>Information Collection: <u>X</u></p> <p>Technical Data Accompanied by Names of Persons or Organizations that Collected and Analyzed the Data - Dates of Collections - and Analysis of the Data and Description of the Methodology Used to Collect and Analyze Data</p>	<p>2002 Flat Canyon EIS produced by USFS and BLM is found in Vol. 2, App. A-3 (p. 225 of the electronic application).</p> <p>The PHC in Vol 2., App. N and O was written by Peterson Hydrologic, Inc</p> <p>Peterson Hydrologic Investigation of Groundwater and Surface-Water Systems Aug 13, 2014. (p. 146 of electronic application)</p> <p>Peterson Hydrologic. Aug. 18, 2104. Groundwater Conditions in the Star Point Sandstone...p. 181 of the electronic application.</p> <p>Alpine Ecological. Western (Boreal) Toad Survey Aug. 29, 2014. (p. 554 of electronic application).</p>
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301-200	Soils <u>NA</u>	This lease addition amendment entails only the lease area boundary change, but does not include details of surface disturbance. Disturbed area associated with the lease addition was reviewed separately, see Swen's Canyon Task 4777.
211	Description of Pre-mining Soil Resources <u>NA</u>	
221	Prime Farmland Investigation <u>X</u>	Prime Farmland communication is included in Vol. A-2 (pg. 83 of the electronic application).
222	Soil Survey <u>NA</u>	
224	Substitute Topsoil Info (When Proposed) <u>NA</u>	
230	Operation Plan Topsoil Handling/Removal/Storage <u>NA</u>	
240	Reclamation Plan Soil Redistribution/Stabilization <u>NA</u>	

301-300	Biology <u>X</u>	Raptor, Wildlife and sensitive species information has been addressed with the addition of two (2) surveys of the proposed area and additional information provided in the vegetation (2.7), terrestrial wildlife (2.8), and raptor sections (2.9), respectively. In addition to specific information being added to these sections, a clarifying statement has been added to each indicating although the EIS considered surface disturbance in the lease area, no surface disturbance is being considered with the current action.
320	Vegetation Information <u>X</u>	Section 2.7 Vegetation has been modified to include subsection 2.7.9 Southwest Reserve Flat Canyon area (pg 2-63a) to generally describe the area and clarify that no surface disturbance is currently planned in the lease area.
322	Fish and Wildlife Information <u>X</u>	<p>Section 2.8 Aquatic Wildlife Resources has been updated to include a description of the aquatic resources in the area and provides for monitoring fish populations during mining operations.</p> <p>Section 2.9 Terrestrial Wildlife has been updated to include additional clarification of no surface disturbance associated with the lease, additional clarification of the EIS, and the submittal of two (2) raptor/wildlife/sensitive species surveys conducted over the lease area in 2011 and 2013.</p> <p>Table 2.9-4 has been updated (2-2015) to include a list of threatened, endangered, and candidate species.</p>
323	Maps/Photos Vegetation-Fish-Wildlife Areas <u>X</u>	<p>Vegetation maps do not need to be updated since there will be no new surface disturbance.</p> <p>Figures 2.9.3-A-D provide information on distribution of endangered species, (canada lynx, grizzly bear, grey wolf, and utah prairie-dog. Figure 2.9.7 is a map with sage-grouse areas in relation to the permit area.</p> <p>Appendix A-3 contains an analysis of the Northern Goshawk and other raptors for the southwest reserves</p>

330	Operation Plan Vegetation-Fish-Wildlife Protection	<u>X</u>	Since there is no surface disturbance, the only impacts of operations would be in relation to subsidence and those impacts to fisheries or avian species. Section 2.8 includes monitoring of Boulger creek for fish. Although it is not modified in this ammendment, the comitment to conduct annual raptor surveys of areas to be subsided remains in 4.18.2 page 4-103. Page 4-94 states existitng overburden is roughly 120 times extraction thickness and no adverse impacts to boulger reservior are anticipated.
341	Reclamation Plan for Revegetation	<u>X</u>	Not applicable since there is no surface disturbance proposed.
342	Fish & Wildlife Plan for Reclamation Phase	<u>X</u>	Not applicable since there is no surface disturbance proposed.

301-400	Land Use and Air Quality	<u>X</u>	Not applicable since there is no surface disturbance proposed.
411	Pre-Mining Land Use Information (Includes Cultural Resources)	<u>X</u>	Adequate
412	Post-Mining Land Use Information	<u>X</u>	Not applicable since there is no surface disturbance proposed.

301-500	Engineering	<u>X</u>	Adequate
510 520	General Description of Operation Plan (Maps, Locations, Cross-Sections, Narrative, Descriptions & Calculations)	<u>X</u>	Adequate
522	Coal Recovery Description	<u>X</u>	Adequate
523	Mining Methods	<u>X</u>	Adequate
524	Blasting and Explosives Plan	<u>X</u>	NA
525	Subsidence Control Plan	<u>X</u>	Adequate
526	Mine Facilities Description (Narrative, Plans, Maps) Including Existing Structures & Support Facilities	<u>X</u>	Adequate
527	Transportation Facilities (Including Plans & Maps)	<u>X</u>	NA

528	Coal Mine Waste Plans (Description & Designs)	<u>X</u>	Adequate
529	Management of Mine Openings (Design)	<u>X</u>	Adequate
531	General Plans for Structures	<u>X</u>	Adequate
532	Sediment Control	<u>X</u>	NA
533	Impoundments	<u>X</u>	Adequate

301-534	Roads (Plans, Drawings, Designs, & Specifications)	<u>X</u>	Adequate
535	Spoil	<u>X</u>	Adequate
536	Coal Mine Waste	<u>X</u>	Adequate
537	Regraded Slopes	<u>X</u>	NA
540 541-542	Reclamation Narrative, Maps and Plans	<u>X</u>	Adequate
551	Casing and Sealing Underground Openings	X	Adequate
553	Backfilling and Grading Description	<u>X</u>	Adequate

301-600	Geology	<u>X</u>	Section 2.2 of Chapter 2 includes a discussion of the geology and geotechnical data for the Flat Canyon Area.
621	Description of Geology (Permit & Adjacent Area)	<u>X</u>	Appendix A-3 includes analysis of the roof, floor and coal samples. Figure 4 of the Petersen Hydrologic Report shows the generalized geology map of the Flat Canyon Area.
622	Geologic Cross-Sections, Maps, and Plans	<u>X</u>	Dwgs 2.2.7-1 and 2.2.4-1D show the structural geology and the seam isopachs. Also shows the structural profile of the area which includes a fence diagram using 9 drill holes as correlation.

630	Plans for Casing and Sealing Holes	<u>X</u>	The existing MRP discusses plans for casing and sealing drill holes. No changes have been proposed with this revision.
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301-700	Hydrology	<u>X</u>	Adequate
721	Description of Hydrologic Resources (Permit and Adjacent Area)	<u>X</u>	Adequate
722	Cross-Sections and Maps Subsurface Water - Surface Water - Monitoring Stations - Wells	<u>X</u>	Adequate
723	Sampling and Analysis	<u>X</u>	Adequate
724	Baseline Information Ground Water - Surface Water - Geology - Climatological & Supplemental; If Needed	<u>X</u>	Adequate
728	PHC Determination	<u>X</u>	Adequate
730	General Operation Plan Minimize Disturbance to Hydrologic Balance & Compliance with Clean Water Act	<u>X</u>	Adequate
731	Ground and Surface Water Protection	<u>X</u>	Adequate
732	Ground and Surface Water Monitoring	<u>X</u>	Adequate

301-740	Plans and Designs Operation and Reclamation Plan Sediment Control Measures	<u>X</u>	Adequate
	Siltation Structures	<u>X</u>	Adequate
	Sediment Ponds	<u>X</u>	Adequate
	Other Treatment Facilities	<u>X</u>	Adequate
	Diversions	<u>X</u>	Adequate
	Road Drainage	<u>X</u>	Adequate
	Impoundments	<u>X</u>	Adequate
	Discharge Structures	<u>X</u>	Adequate
	Disposal of Excess Spoil	<u>X</u>	Adequate
	Coal Mine Waste	<u>X</u>	Adequate
	Disposal of Non-Coal Mine Waste	<u>X</u>	Adequate
	Casing and Sealing of Wells	<u>X</u>	Adequate

301-800	Bonding and Insurance	<u>X</u>	
820	Applicant Have Adequate Bond at Permit Issuance	<u>X</u>	Bonding information was last updated, reviewed and approved January 6, 2015.
830	Bond Estimate and Calculations Provided	<u>NA</u>	no additional surface disturbance.
890	Certificate of Insurance Provided	<u>X</u>	General Liability insurance coverage policy with National Union Fire Insurance Company will expire Feb. 2, 2016. Acord form on file as 01302015.pdf. The policy coverage meets the requirements of R645-301-890, Terms and Conditions for Liability Insurance.

302-200	Special Categories of Mining	<u>NA</u>	
210	Experimental Practices Mining	<u>NA</u>	
220	Mountaintop Removal Mining	<u>NA</u>	
230	Steep Slope Mining	<u>NA</u>	

240	Auger Mining	<u>NA</u>	
250	In Situ Processing Activities	<u>NA</u>	

302-260	Coal Processing Plants (Not Located Within Permit Area of Mine)	<u>NA</u>	
270	Variances From Approximate Original Contour Restoration Requirements	<u>NA</u>	
280	Variances for Delay in Contemporaneous Reclamation Requirement in Combined Surface and Underground Coal Mining Activities	<u>NA</u>	
290	Small Operator Assistance Program (SOAP)	<u>NA</u>	

302-300	Special Areas of Mining	<u>NA</u>	
301	Prime Farmland	<u>NA</u>	see soils review section.
302	Alluvial Valley Floors	<u>NA</u>	no surface disturbance