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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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November 20, 2015

Corey Heaps, Mine Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Subject: Determination of Administrative Completeness for Addition of Flat Canyon Lease, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005, Task ID #5017

Dear Mr. Heaps:

The Division has completed a review of the information you submitted on October 13, 2015. This application is considered to be administratively complete. A copy of our review worksheet is enclosed for your information and records.

A technical review of your plan has been initiated. Technical deficiencies will be forwarded to you as reviews are completed. The Division will also coordinate with other agencies and incorporate their comments into our review process. Issues raised will need to be resolved prior to permit issuance.

At this time you should publish a Notice of Complete Application for adding the Flat Canyon Lease to the Skyline Mine as required by R645-300-121. A copy of the publication should be sent to the Division as soon as it is available. You should also insure that a copy of the application is on file at the appropriate County Courthouse. The Division will complete a technical analysis, which must find that your application is technically complete. We anticipate that additional information may be necessary to make your application technically complete and look forward to working with you throughout the permitting process. Please call if you have any questions.

Thank you for your help in the permitting process.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs

Enclosure

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**ADMINISTRATIVE COMPLETENESS REVIEW WORKSHEET
(R645-100)**

DATE: 11/19/15

REVIEWER(S): Lisa Reinhart, Daron Haddock, Suzanne Steab, Cheryl Parker

APPLICANT: Canyon Fuel Company, LLC, Southwest Reserve- Flat Canyon Lease

MINE NAME: Skyline **FILE NO.:** C/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. If a category is Not Applicable, enter NA in check box. 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 Chapter 1 information, revised on Sept. 25, 2015 (112.500-112.800).
100	Applicant's Business Structure	<u>NA</u>	No change to existing permit
210	Applicant's Name/Address/Phone	<u>NA</u>	No change to existing permit
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>	The application contains a copy of lease UTU-77114 issued to Canyon Fuel Company, LLC effective July 1, 2015. The lease encompasses 2,692.16 acres of Federal coal (BLM) with the USFS as the surface managing agency.
600	Ownership Contiguous to Permit	<u>X</u>	Plate 1.6-3 and Plate 1.6-2 and Section 112.600 show the ownership.
700	MSHA Numbers	<u>NA</u>	extension of an underground mine.
800	Interest in Contiguous Lands	<u>X</u>	discussed on page1-24.

301-113	Violation Information	<u>X</u>	AVS reported generated 10/28/15. No violations retrieved in the OSM AVS system.
100	Suspension or Revocation Information	<u>NA</u>	No suspensions or revocations have occurred with Canyon Fuel.
300	List of Violations - 3 Previous Years	<u>X</u>	There is no change to the existing Table 1-2.
301-114	Right of Entry	<u>X</u>	The application contains a copy of lease UTU-77114 issued to Canyon Fuel Company, LLC effective July 1, 2015. The lease encompasses 2,692.16 acres of Federal coal (BLM) with the USFS as the surface managing agency.
301-115	Status of Unsuitability Claims	<u>X</u>	There are no unsuitability claims within the area of the Flat Canyon lease.
301-116	Permit Term	<u>X</u>	The Existing permit issued in 2012 expires April 30, 2017. The Permit carries a right of successive renewal. This lease will extend the life of the mine.
301-117	Insurance	<u>X</u>	No change to the insurance policy will occur as a result of this lease addition. See App. 118A for a draft of the public notice. The notice will be published upon the finding of an administratively complete application. Proof of publication will be required prior to permit issuance. This is an extension of an underground mine.
	Proof of Publication	<u>X</u>	
	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>	Corey Heaps, General Manager

301-130	Information Collection: 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	<u>X</u> 2002 Flat Canyon EIS produced by USFS and BLM is found in Vol.2, App. A-3. The PHC in Vol 2., App. N and O was written by Petterson Hydrologic, Inc. Peterson Hydrologic Investigation of Groundwater and Surface-Water Systems Aug 13, 2014. Peterson Hydrologic, Aug. 18, 2014, Groundwater conditions in the Star Point Sandstone... Alpine Ecological, Western (Borial) Toad Survey August 29, 2014.
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301-200	Soils	<u>NA</u>	This lease addition entails only the lease area boundary change, but does not include details of surface disturbance. There is no disturbance planned for any areas within the lease. Disturbed area located outside of the lease, but 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. This is an extension of an underground mine.
222	Soil Survey	<u>NA</u>	No surface disturbance planned.
224	Substitute Topsoil Info (When Proposed)	<u>NA</u>	No surface disturbance planned.
230	Operation Plan Topsoil Handling/Removal/Storage	<u>NA</u>	No surface disturbance planned.
240	Reclamation Plan Soil Redistribution/Stabilization	<u>NA</u>	No surface disturbance planned.

301-300	Biology	<u>X</u>	Raptor, general wildlife and sensitive species information has been addressed with the addition of necessary surveys and additional information provided in the vegetation (2.7), terrestrial wildlife (2.8), and raptor sections (2.9), respectively.
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320	Vegetation Information	<u>X</u>	Section 2.7 Vegetation has been modified to include subsection 2.7.10 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. Detailed veg info is within the EIS.
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. As determined by the EIS, both Swens and Little Swens provide little habitat for fish so only Boulger Creek will be monitored for fish using methods consistent with previously conducted surveys on James, Burnout, Eccles, Woods, and Winter Quarters creeks.</p> <p>Section 2.9 Terrestrial Wildlife includes raptor/wildlife/sensitive species surveys conducted over the lease area.</p> <p>Table 2.9-4 has been updated (2-2015) to include a current list of threatened, endangered, and candidate species.</p> <p>The existing MRP contains general wildlife info adequate to cover this amendment.</p>
323	Maps/Photos Vegetation-Fish-Wildlife Areas	<u>X</u>	<p>Appendix A-3 contains an analysis and maps of the Northern Goshawk and other raptor surveys.</p> <p>Figure 2.7.9-2 shows monitoring locations for riparian areas.</p> <p>Figure 3.5 is a map of the vegetation of the area.</p>
330	Operation Plan Vegetation-Fish-Wildlife Protection	<u>X</u>	Since there is no surface disturbance or known TES species to occur in the area, the only wildlife and veg impacts of operations would be in relation to subsidence and would be minimal. 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 is identified in 4.18.2 page 4-103 of the MRP and applies.
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>	Section 2.1 pg 2-4e contains a narrative on cultural resources. The FEIS contains a detailed impact analysis to cultural resources. Letters from Hopi tribe and SHPO are provided as appendix A-4. An updated Air Quality permit documenting consultation with UDAQ is provided.
411	Pre-Mining Land Use Information (Includes Cultural Resources)	<u>X</u>	Land use is discussed in Section 2.12 and has been updated to include the Flat Canyon Lease area. Table 2.12.1-1 has been updated to include production measurements in AUM's.
412	Post-Mining Land Use Information	<u>X</u>	Not applicable since there is no surface disturbance proposed. Post mining land use information is consistent with existing information in the MRP.

301-500	Engineering	<u>X</u>	The Permit application appears to address the relevant engineering R645-301-500 rules, see discussion below
510 520	General Description of Operation Plan (Maps, Locations, Cross-Sections, Narrative, Descriptions & Calculations)	<u>X</u>	The Permit contains the proposed coal mining and reclamation operations with attendant maps, plan, cross section in Chapter 2. The application includes details under certification requirements to address R645-301-512. The application contains text detailing MSHA approval for relevant impoundments and closure of openings to address R645-301-514. The application includes text detailing reporting and emergency procedures for slides, impoundment breaches, and temporary cessation to address R645-301-515.210. The application includes details under operations including narratives, plans with maps, cross section, and calculations to address R645-301-520
522	Coal Recovery Description	<u>X</u>	The application includes text that appears to address R645-301-522 coal recovery rules
523	Mining Methods	<u>X</u>	The application includes text that appears to address R645-301-523 mining rules
524	Blasting and Explosives Plan	<u>X</u>	The application includes text that appears to address R645301-524 blasting regulations
525	Subsidence Control Plan	<u>X</u>	The application includes text that appears to address R645-301-525 subsidence regulations.
526	Mine Facilities Description (Narrative, Plans, Maps) Including Existing Structures & Support Facilities	<u>X</u>	The application includes narratives, maps, and figures that appear to address R645-301-526 describing mining facilities.

527	Transportation Facilities (Including Plans & Maps)	<u>X</u>	The application includes text that appears to address R645-301-527 transportation facilities regulations.
528	Coal Mine Waste Plans (Description & Designs)	<u>X</u>	The application includes text that appears to address R645-301-528 handling and disposal of noncoal and coal mine waste regulations
529	Management of Mine Openings (Design)	<u>X</u>	The application includes text that appears to address the management of mine openings according to R645-301-529 regulations.
531	General Plans for Structures	<u>X</u>	The application includes text detailing the general operation design criteria and plans for structures meeting R645-301-526 regulations
532	Sediment Control	<u>X</u>	The application includes text addressing R645-301-532 sediment controls.
533	Impoundments	<u>X</u>	The application includes text addressing R645-301-533 impoundments.

301-534	Roads (Plans, Drawings, Designs, & Specifications)	<u>X</u>	The application includes text addressing R645-301-534 road operations, designs, and controls
535	Spoil	<u>X</u>	The application includes text addressing R645-301-535 stating it does not apply
536	Coal Mine Waste	<u>X</u>	The application includes text addressing how coal mine waste will be handled according to R645-301-536.
537	Regraded Slopes	<u>X</u>	The application includes text addressing R645-301-537 stating it does not apply
540 541-542	Reclamation Narrative, Maps and Plans	<u>X</u>	The application includes text addressing R645-301-540 general reclamation of the site
551	Casing and Sealing Underground Openings	X	The application includes text addressing R645-301-550 addressing relevant reclamation design criteria in regards to casing and sealing of underground openings
553	Backfilling and Grading Description	<u>X</u>	The application includes text address R645-301-553 by detailing any relevant backfill and grading associated with the mining operations.

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.
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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.

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	Sediment Control Measures	<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>	The application appears to address R645-301-800 bonding and insurance
820	Applicant Have Adequate Bond at Permit Issuance	<u>X</u>	Canyon Fuels currently maintains bonds for their properties through Ironshor Indemnity Inc.
830	Bond Estimate and Calculations Provided	<u>X</u>	The application appears to address R645-301-830 rules by including relevant bonding details
890	Certificate of Insurance Provided	<u>X</u>	The application includes a certificate of 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>	
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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>	
302	Alluvial Valley Floors	<u>NA</u>	No surface disturbance

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