

**Skyline Mine**

Gregg A. Galecki, Sr. Environmental Engineer  
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October 20, 2017

Mr. Daron R. Haddock  
Division of Oil, Gas, and Mining  
1594 West North Temple  
Salt Lake City, Utah 84114-5801

RE: Full bond release for a portion of South Fork Breakout Area - Canyon Fuel  
Company, LLC, Skyline Mine, C/007/0005

Attached to this letter is pertinent information addressing modifications to the Skyline Mine M&RP to allow for full bond release for a portion of the South Fork Breakout disturbed and permit area. Due to a US Forest Service timber sale, the road portion of the breakout area is needed for a logging road. The US Forest Service has approved the land use (see letter). This modification releases 0.36 acres from the Skyline Reclamation Bond. Skyline is not requesting a reduction of the bond amount with this application. The remaining 0.60 acres will be reclaimed by Skyline Mine. Logging needs to start as soon as possible. The both the bond release inspection has occurred and the legal notice has been published.

Plate 3.2.11-1 is replaced by 3.2.11-1REV1. Plate 1.6-3 is updated to show the current mining area. Text modifications are made to chapters, 1, 3, & 4. The permit modification consists of: 1) update to text in sections 1, 3.2, 4.7 & 4.12, 2) updates to plates 1.6-3 and 3.2.11-1, 3) USFS letter, and 4) the affidavit of publication of the public notice. Two (2) clean hard copies of the information are being shipped via USPS.

If you have any questions regarding this information, please give me a call at (435) 448 – 2636.

Sincerely,



Gregg A. Galecki  
Canyon Fuel Company, LLC.  
Sr. Environmental Engineer – Skyline Mines

Enclosures

**APPLICATION FOR COAL PERMIT PROCESSING**

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Skyline Mine **Permit Number:** C/007/005

**Title:** Post-mining land use change for a portion of South Fork Breakout

**Description,** Include reason for application and timing required to implement:

Post-mining land use change for portion of South Fork Breakout; needed for Forest Service logging project in early summer 2017.

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes  No 1. Change in the size of the Permit Area? Acres: 139.45 Disturbed Area: 139.45  increase  decrease.
- Yes  No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- Yes  No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes  No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes  No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes  No 6. Does the application require or include public notice publication?
- Yes  No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes  No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes  No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- Yes  No 10. Is the application submitted as a result of other laws or regulations or policies?  
*Explain:* \_\_\_\_\_
- Yes  No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes  No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes  No 13. Does the application require or include collection and reporting of any baseline information?
- Yes  No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes  No 15. Does the application require or include soil removal, storage or placement?
- Yes  No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes  No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes  No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes  No 19. Does the application require or include certified designs, maps or calculation?
- Yes  No 20. Does the application require or include subsidence control or monitoring?
- Yes  No 21. Have reclamation costs for bonding been provided?
- Yes  No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes  No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Information submitted electronically in Adobe Acrobat .pdf format.** (This number includes a copy for the Price Field Office.)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Corey Heaps  
Print Name

Core Heaps, GM, 10-13-17  
Sign Name, Position, Date

Subscribed and sworn to before me this 13<sup>th</sup> day of Oct, 2017

Kathleen Atwood  
Notary Public

My commission Expires: 12-02, 2017

Attest: State of Utah } ss:  
County of Carbon



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
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Ch. 1

point of tangency; thence South 38° 32' 29" West 334.32 feet to the point of a 2031.74 foot radius curve to the right; thence along the arc of said curve; (whose long chord bears South 40°17' 48" West 124.48 feet), a length of 124.50 feet to the point of tangency; thence South 42°03' 09" West 180.47 feet to the true point of beginning and containing 42.57 acres.

No surface disturbance or underground mining will be conducted on the lands controlled by the Permittee lying outside the mining permit area.

The Swens Canyon Ventilation Shaft is necessary to provide adequate ventilation within the existing lease. However, Canyon Fuel Company, LLC, has acquired the Flat Canyon Lease (UTU-77114) and the shaft will also service the ventilation needs of that area.

In 2017, the ~~post-mining land use bond release~~ of the access road and topsoil pile area for the South Fork Breakout, in the NE/SW of Section 24, was ~~changed~~ implemented to accommodate logging as approved by the US Forest Service (see plate 3.2.11-1). The disturbed area was reduced from 0.96 acres to 0.60 acres.

Canyon Fuel Company, LLC, does not own or control, indirectly or indirectly, legally or equitably any interest in the areas contiguous to the permit area other than the interests described above.

The permittee has no option, bid or other interest in any contiguous acreage other than that stated above. No application for leasing unleased Federal lands adjacent to the permit area is currently pending.

Vertical Extent of Mine Workings Workings (Life of Mine)	Surface to 1,500' max	Surface to 2,300' max	Surface to 1,500' max
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The anticipated number of total surface land acres to be affected (life of mines) is less than the combined total of the affected acreages for each of the three mines due to the overlapping of mining operations which is inherent to this multi-seam mining operation. The total surface acreage to be disturbed by surface facilities associated with underground mining is 139.81 acres.

The following information was based on projection for the next five years (2012-2016).

	<u>Mine No. 1</u>	<u>Mine No. 2</u>	<u>Mine No. 3</u>
Extent of Horizontal Workings	240 acres	375 acres	1,400 acres
Extent of Vertical Workings	Surface to 1,250'	Surface to 2,250'	Surface to 2,125'

**Permit Area**

The construction/installation of surface facilities at the mine site, loading area, conveyor belt route, well houses, water tank pad, waste rock disposal site, and South Fork Breakout, and Winter Quarters Ventilation Facility comprise the Permit Area. The permit area acreage listed adequately accommodate areas of disturbance.

PERMIT AREAS TO BE RECLAIMED

<u>AREA</u>	<u>ACREAGE</u>
Loadout	13.86
Portal Yard	42.55
Water tanks, water lines, and Well pads (water lines not reclaimed)	0.60
Conveyor Bench	14.18
Waste Rock Disposal Site and Road	32.48
South Fork Breakout	0.9660
James Canyon Buried Power Line	0.30
James Canyon Buried Pipeline	1.60
James Canyon Water Wells and Road	2.95
Winter Quarters Ventilation Facility	7.93
Winter Quarters Road (not reclaimed)	4.90
North of Graben (NOG) Shaft	3.00
Swens Power line (not reclaimed)	4.80
Swens Canyon Pad	9.70
TOTAL	<del>139.81</del> 139.45



**AFFIDAVIT OF PUBLICATION**

STATE OF UTAH)

ss.

County of Carbon,)

I, Jenni Fasselin, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 11th day of July, 2017, and that the last publication of such notice was in the issue of such newspaper dated the 1st day of August, 2017

*Jenni Fasselin*

Jenni Fasselin – Publisher

Subscribed and sworn to before me this 1st day of August, 2017.

*Linda Thayne*

Notary Public My commission expires January 10, 2019 Residing at Price, Utah

Publication fee, \$ 604.80



**LEGAL NOTICE**

Canyon Fuel Company, LLC, has filed a complete application with the Division of Oil, Gas, and Mining for a revision of the existing Mining and Reclamation Plan, C/0070005 for the Skyline Mine. Canyon Fuel Company, LLC operates the Skyline Mines with surface facilities located in Eccles Canyon which is approximately 4 miles southwest of the town of Scofield, Utah. The revision changes the post-mining land use for a portion of the South Fork Breakout.

Post-mining land use will be changed for a 0.36-acre portion of the South Fork Breakout from wildlife habitat & grazing to logging to accommodate a US Forest Service timber sale. The 0.36 acres will be released from Skyline's Reclamation Bond obligations. Skyline is not currently requesting a reduction in the Bond amount. The remaining 0.60-acre portion will continue to be reclaimed per Canyon Fuel Company, LLC's Mining and Reclamation Plan.

A legal description of the proposed areas for these new surface facilities is described as follows:

**Areas Authorized for Coal Mining and Reclamation Activities**

Township 12 South, Range 6 East, SLBM  
Section 24: Portions of NE/SW

Total acres within the affected area: 0.96 acres currently under reclamation. 0.36 acres are to be removed, with 0.60 acres remaining under reclamation after post-mining land use change.

The address of the applicant is:  
Canyon Fuel Company, LLC  
225 North 5th Street, Suite 900  
Grand Junction, CO 81501

After filing, copies of this permit application will be available for inspection at the following location: Utah Division of Oil, Gas, and Mining, 1594 West North Temple, Suite 1210, Salt Lake City Utah, and the Division of Oil, Gas, and Mining website under the Coal Permit files.

Written comments or requests regarding this permit renewal must be made within 30 days of the last publication of this notice, and may be addressed to the Utah Division of Oil, Gas, and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate July 11, 18, 25 and August 1, 2017.

Ch. 3 Sec. 32

of three times a year: (1) early spring; (2) mid-summer at the beginning of the thunderstorm season, and (3) late fall before freeze-up.

In 2017, the road and topsoil portion of the south fork breakout area were removed approved to accommodate a preest-mining land use change to logging of forestry as approved by the US Forest Service. The original disturbed and permit area boundary was 0.96 acres. The new disturbed and permit area boundary will be 0.60 acres which includes only the pad area. See plate 3.2.11-1 for details.

#### 3.2.11(a) James Canyon Area

The Upper O'Connor B seam has a large inflow of ground water into the active mining operations. To reduce the amount of inflow, three de-watering wells were drilled in James Canyon (see Drawings 1.6-3, 1.6-3A, and 3.4-1). Access to the water well site is via an existing road in James Canyon. The road had been water barred and reseeded in the 1970's. Approximately, 4,400 feet of the James Canyon was reopened to reach the drill pad location. As construction started the topsoil from the road was pushed aside and used a berm. A 18-inch culvert was installed in a side drainage to James Canyon. The water bars were left in place and silt fences were installed at the outflow of each bar for sediment control.

A track hoe was used to remove the topsoil from the drill pad and stored at the head of James Canyon. The topsoil was encircled by silt fence for sediment control and marked with a sign. The subsoils were used as fill to create the drill pad. The drill pad is approximately 100 feet wide and 200 feet long or about 0.46 acres. A ditch was constructed above the drill pad to divert water from the undisturbed area. The runoff calculations and ditch design are included in Volume 5, Section 22 James Canyon. An 18-inch culvert was placed in the road just east of the drill pad to allow drainage from the undisturbed area to enter James Canyon Creek. The culvert design calculation are included in Volume 5, Section 22 James Canyon. A sediment pond was dug on the west end of the drill pad to treat runoff from the disturbed area. The sediment pond is designed for total containment and the design calculations are in Volume 5, Section 22 James Canyon. Silt fence was placed at the toe of the out-slope for sediment control.

Two water wells were drilled in the fall of 2001. The first hole, JC-1, was bored to a 19-inch diameter and cased the 14-inch diameter steel pipe and wire-wrap screen. The hole was drilled at an approximate angle of 22 degrees from vertical, dips to the east, and penetrates the water producing fault below the 10 Left panel area. The total length of the drill hole is 1,030 feet. The second hole, JC-2, was drilled vertically, has a 29-inch diameter borehole, and was cased with 20-inch diameter steel pipe and wire-wrap screen. The hole was drilled into the sandstone below the coal seam and bottoms out at 1,010 feet. Electric well pumps were installed in each well and were initially operated using a diesel generator. The diesel generator was replaced by underground power cables in November 2001

**Areas 20, 21, 22 AND 22a.** These areas are the highway approaches from SR-96 to the Railroad Loadout area itself (two approaches), and the area south of the loadout structure. These areas are shown on Map 3.2.1-3. These areas contain .1 acre and have been classified as "Special Exempt Areas." These road approaches are paved. Area 20 also contains a small straw dike to treat water from the area that is not paved and additional treatment for water leaving the paved area. All of these areas are part of the permitted area and will be reclaimed during final reclamation; however, these areas fall within the rights-of-way of SR-96 (refer to UDOT letter dated 7-18-89 from L. Archie Hamilton, District Four Pre/Construction Engineer, found in this section). The Permittee has no control over the activities of UDOT or the public who utilize these approaches; therefore, the Permittee is not responsible for the activities (other than his own) which occur on these approaches.

**Area 23.** This area is the South Fork Breakout Area and is shown on Map No. 3.2.11-1. This area contains ~~0.60~~<sup>0.96</sup> acres (see Areas 32 and 33 which are classified as exempt areas). The South Fork Breakout Area was reclaimed in 2003 and the access trail was completely reclaimed in 2005 and is considered a Small Area Exemption. All existing silt fencing was removed, with the exception of temporary silt fencing that was used during reclamation construction. Extreme surface roughening or >deep gouging= was used as the form of sediment control until vegetation is established. Figure 3.2.11-1 will be modified to reflect these changes once the area is flown to establish the reclamation topography. A portion of the original 0.96 acres contained in the South Fork Breakout Area was released from bond obligations approved for final bond release as part of a post-mining land use change to allow for a USFS timber sale.

**Area 24.** The access road to the Scofield Waste Rock Disposal Site is shown on Map No. 3.2.8-1. It contains 3.45 acres and is classified as a "Primary Access Road".

**Area 24a.** A small area of .1 acre was disturbed adjacent to the Scofield Waste Rock access road. This area has been reseeded and is becoming well re-vegetated. Any runoff water leaving this area enters the roadside drainage. A Sed-Cad model program has been done for this area which demonstrated that alternate sedimented control measurers are not needed. This area is therefore classified as an exempt area. (See Vol. 5 Sec. 21 and 21 (a))

**Area 25.** This area goes from overland conveyor bent 155 to bent 154a, shown on Map 3.2.3-3a. This area is permitted but has no disturbance within it. The overland conveyor does span across this area.

**Area 30a.** In 2005 this area was reclassified as a ASmall Area Exemption@ based on a demonstration of adequate vegetative cover (see Sec. 21 (a), Vol. 5 for demonstration). Silt fences at Bent 59 and 44 were used in the demonstration. The area consisted of construction and operational disturbances that were previously not re-vegetated at the following locations: (1) Bent 59, The upper 24" diameter support; (2) Bent 44, the lower 24" diameter leg support; (3) Bent 36, the upper 30" leg support; (4) Bent 32, both leg supports; (5) Bents 28, 26 and 22, all leg supports; and (6) the area from Bent GB6 to approximately midway of truss No. 3 has been disturbed due to a coal spill and is classified as an ASCA area. The area from Bent GB6 is the only portion of the area still classified as an ASCA and will be treated with straw bales and/or silt fences. Area 30a is mis-labeled on Plates 3.2.3-3E and -3F as Area 10a, and will be corrected at a future date.

**Area 31.** This area is a topsoil storage area in the South Fork of Eccles Creek drainage, as shown on Map 3.2.11-1. This area was mulched and seeded in the fall of 1989. A thick cover of vegetation has become established. There is no visible evidence of soil movement. The permittee has run a Sedcad program to demonstrate the run-off, so that this area can be classified as an exempt area. (See Vol. 5 Sec. 21)

**Area 32.** This area is a topsoil storage area in a side drainage of the South Fork of Eccles Creek, as shown on Plate 3.2.11-1. This area is an old roadbed that has been filled in with topsoil from the South Fork Breakout. The area was mulched and seeded in the Fall of 1989. A thick cover has become established. There is not visible evidence of soil movement. The permittee has run a SedCad program to demonstrate the run-off, so that this area could be classified as an exempt area (See Vol 5 Sec.21). The area was re-disturbed in 2003 to reclaim the South Fork Breakout area. The area was roughened and seeded in 2003, then re-disturbed in 2005 to eliminate the footprint of the former roadbed. Extreme surface roughening was the only form of sediment control until vegetation was established. In 2017, as part of a post-mining land use change and partial bond release, Area 32, which was a topsoil storage area in connection -with the South Fork Breakout, was approved for final bond release and removed from the permit and disturbed area.

**Area 33.** This area is a snow storage area and is adjacent to State Highway 264 and is directly south of the docking station for the overland conveyor, as shown on Map 3.2.3-3. This area is what is commonly referred to as the UDOT pad and has been used by UDOT as a snow storage area. Part of the pad to be used is within the UDOT right-of-way and the remainder of the pad is owned by Canyon Fuel Company,

Ch. 4 Sec. 4.7

fiber matting will be used since all slopes are expected to be either flat or less than 1.5h:1v. Revegetation success will be evaluated. All ditches and retaining walls will be maintained until the vegetation success standards of R614-301-356 are met. No reclamation is planned for the access roadway at the request of the property owner's representative.

The livestock permittee through the owner has requested that the sedimentation pond not be reclaimed. If, over a period of time, it shows that the pond holds natural runoff water and will be beneficial for livestock and wildlife use, it will not be removed. However, for planning and bonding purposes the sedimentation pond is to be removed and reclaimed (Map 4.16.1C). In the event the pond is not removed, Map 4.16.1B illustrates the reclamation work.

#### 4.7.8 South Fork Breakout

After the area has had the soils redistributed, as outlined in Section 4.6.5, the site will be revegetated. The aspen site will use the seed mixture shown on Table 4.7-4 while the spruce-fir site will use the mixture shown on Table 4.7-5. Following the distribution of topsoil, the area will be evenly covered with certified weed-free straw mulch. The soil with the straw cover will then be deep gouged. The straw will be incorporated in the soil during the deep gouging activities. The appropriate seed mix will then be hand-broadcast and/or through the use of an appropriate hand-held mechanical device at the prescribed rate of application.

Fertilizer rates and applications are discussed in the soil preparation and fertilizer plan (Section 4.5).

Information submitted in 2012 demonstrated the South Fork of Eccles Creek Breakout area qualified for Phase II bond release (See Vegetation Sampling for Phase II Bond Release in South Fork Canyon, 2011, Mt. Nebo Scientific, Inc. - Appendix A-2 Volume 2). To insure Phase III bond release, Skyline conducted husbandry practices and planted additional woody species as a rate of 1,800 to 2,000 plants per acre in 2012. Table 4.7-8 outlines a list of recommended woody species (tublings) based on Dr. Patrick Collins review of the site. The additional woody species were necessary because they were not planted originally due to an oversight.

[In 2017, the road and topsoil area were approved for full bond release to allow logging as approved by the US Forest Service. See plate 3.2.11-1 for details](#)

#### **James Canyon Area**

Refer to Section 2.7 for a discussion of the revegetation success standards for the James Canyon Project area. Refers to Sections 2-11 and 4-20 for additional information pertaining to the project.

Ch. 4 Sec. 4.12

TABLE 4.12-1  
PROPOSED POSTMINING LANDUSE

Area	Present Ownership	Premining Landuse	Proposed Postmining Use	Alternative Use	Capacity To Support Proposed Use	Relationship To Existing Landuse Policies
Mine Site and Exploratory Excavations	USFS	Wildlife/ Grazing Habitat	Wildlife/ Picnic Grazing Habitat	Adequate Area	Compatible	
Conveyor and Pipeline	Private	Grazing/ Wildlife Habitat	Grazing/ Wildlife Habitat	Adequate	Compatible	
Main Access Road	State	Forest Compatible Access and Service Road	State Road	None	Adequate	
Loadout	Private	Grazing, Picnic and Stock Pens*	Grazing/ Wildlife Habitat	Adequate	Compatible	
Waste Rock Disposal	Private	Grazing/ Wildlife Habitat	Grazing/ Wildlife Habitat	Adequate	Compatible	
South Fork Breakout	USFS	Wildlife/ Grazing Habitat	Wildlife/ Grazing Habitat <a href="#">Logging/Forestry</a>	Adequate Habitat	Compatible	
James Canyon	USFS/Private	Wildlife/ Grazing Habitat	Wildlife/ Grazing Habitat	Adequate Habitat	Compatible	
Winter Quarters	Private	Grazing	Grazing	Adequate Compatible	Adequate	
Ventilation Facility		Mining Wildlife	Wildlife			
NOG Bleeder Shaft Compatible	USFS	Wildlife	Wildlife	Adequate	Adequate	
Swens Canyon Ventilation Facility	USFS	Wildlife/ Grazing	Wildlife/ Grazing	Adequate	Adequate	Compatible

The owner's representative requests that the pit fill be leveled off so that it can be used for corrals. The leveled-off fill will be reclaimed to native rangeland per the Reclamation Plan.

#### 4.12.7 Winter Quarters Ventilation Facility (WQVF)

The pre-mining land use was native rangeland providing habitat for grazing and wildlife, with associated impacts from mining and timber harvesting. The WQVF pad site and access are all on private land. The pre-existing road will not be reclaimed and any associated road improvements will remain. At reclamation, the mine openings will be sealed and/or backfilled, the pad, pad-access road, and associated facilities will be removed and the Approximate Original Contour (AOC) be returned. Once the reclamation commitments have been achieved, the pre-mining land uses will be adequately re-established.

#### 4.12.8 NOG Bleeder Shaft

The pre-mining land use provided habitat for grazing and wildlife with associated impacts from timber harvesting. At reclamation, the mine opening will be backfilled, capped, the pad, access road, and associated facilities will be removed and the approximate original contours (AOC) will be returned. At the completion of reclamation activities, the pre-mining land uses will be adequately re-established prior to liabilities being released.

#### 4.12.9 South Fork Breakout

The pre-mining land use provided habitat for wildlife, wildlife grazing, and forestry. A portion of the 0.96 acre disturbed and permit area boundary was approved for full bond release in 2017, and released from the disturbed and permit area boundary. 0.36 acres, including the road and topsoil area, were approved for full bond release while 0.60 acres remains within the disturbed and permit area boundary and will be reclaimed by Skyline Mine. See plate 3.2.11-1 for details.



