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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 2, 2002

TO: Internal File

THRU: Karl R. Houskeeper, Sr. Reclamation Specialist/Team Lead *KRH by am*

FROM: Wayne H. Western, Sr. Reclamation Specialist/Engineering *WHW*

RE: Permit Reduction, Plateau Mining Corporation, Star Point Mine, C/007/006-02D

SUMMARY:

The Division received an application (AM02D) for a reduction in the permitted acreage at the Star Point Mine on March 26, 2002. The Permittee proposes to reduce the permit area by 245.10 acres. The refuse pile and associated borrow area were sold to Sunnyside Cogeneration Associates, who is in the process of permitting the refuse pile.

TECHNICAL ANALYSIS:

ENVIRONMENTAL RESOURCE INFORMATION

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

PERMIT AREA

Regulatory Requirements: 30 CFR 783.12; R645-301-521.

Analysis:

The Permittee proposes to transfer the refuse pile to Sunnyside Cogeneration Associates and remove some BLM property from the permit area. The areas that will be removed from the permit boundaries are shown on several maps including Map 321.100h. A legal description of the area that has been sold to SCA is given in Exhibit 112.500a.

TECHNICAL MEMO

Findings:

The Permittee has met the minimum requirements for describing the permit area as stated in the regulations.

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Permit Area Boundary Maps

The Permittee shows the entire permit boundaries for the Star Point mine on several maps including Map 112.500a. The reduction in the permit area is shown on several maps including Map 321.100h. The Permittee does not show the entire permit area including the refuse pile reduction on any one map. To avoid confusion the Permittee must show the entire permit area on one map and state in the text of the MRP, which map will be the official permit boundary map.

Map 321.100h and other maps in the submittal show the refuse pile and BLM land still in the permit boundary. The Division has talked with Johnny Pappas about the error and he has agreed to correct it.

Findings:

The information in the proposed amendment is not considered adequate to meet the minimum requirements of this section. Prior to approval, the Permittee must provide the following in accordance with:

R645-301-521.100 and R645-301-521.190, The Permittee must give the Division a map that shows the entire permit boundary for the Star Point Mine. The Permittee must state in the text of the MRP, which map will be the official permit boundary map.

R645-301-121.200, The Permittee must show the correct permit boundary lines on Map 321.100h and other map in the submittal.

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

General

The Star Point mine is in reclamation. The Permittee proposed to have the refuse pile reclaimed by shipping the refuse to SCA. They will burn the refuse in their cogeneration power plant. After the refuse has been removed, SCA will complete final reclamation of the refuse pile site. The Division will require SCA to bond for reclaiming the site under worst-case condition, which is reclaiming the site if no refuse is removed.

Findings:

The Permittee has met the minimum requirements of this section of the regulations.

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of bond amount

The current reclamation bond for the Star Point mine is \$10,581,000 in 2004 dollars. The Permittee requests that the bond amount be reduced to \$7,900,000 in 2004 dollars when the transfer to SCA occurs. The Division has reviewed the revised bond calculation and determined that the reduction is based upon the Division's reclamation cost estimate. The Permittee has withdrawn those items that are associated with the refuse pile from the bond calculation. The Division has determined that \$7,900,000 in 2004 dollars is adequate to insure adequate reclamation.

Before bond, release occurs SCA must have a bond in place that is adequate to meet the reclamation costs associated with the refuse pile area.

Findings:

TECHNICAL MEMO

The Permittee has met the minimum requirements of the bonding and insurance requirements.

RECOMMENDATIONS:

The Division should deny the amendment until the Permittee has corrected all of the above-mentioned deficiencies.