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

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August 23, 2002

Johnny Pappas, Sr. Environmental Engineer
Plateau Mining Corporation
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Helper, Utah 84526

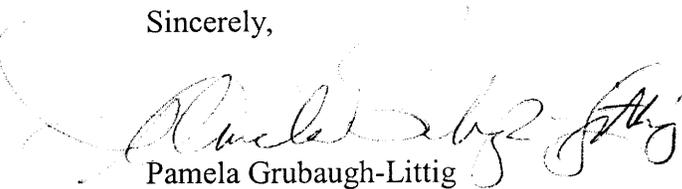
Re: Permit and Disturbed Area Reduction, Refuse Pile and Borrow Site Separation and Re-permitting by Sunnyside Cogeneration Associates, Plateau Mining Corporation, Star Point Mine, C/007/006-02D, Outgoing File

Dear Mr. Pappas:

The above-referenced amendment has been reviewed. There are deficiencies that must be adequately addressed prior to approval. A copy of our Technical Analysis is enclosed for your information. In order for us to continue to process your application, please respond to these deficiencies by November 23, 2002.

If you have any questions, please call me at (801) 538-5268 or Karl R. Houskeeper at (435) 613-5330.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

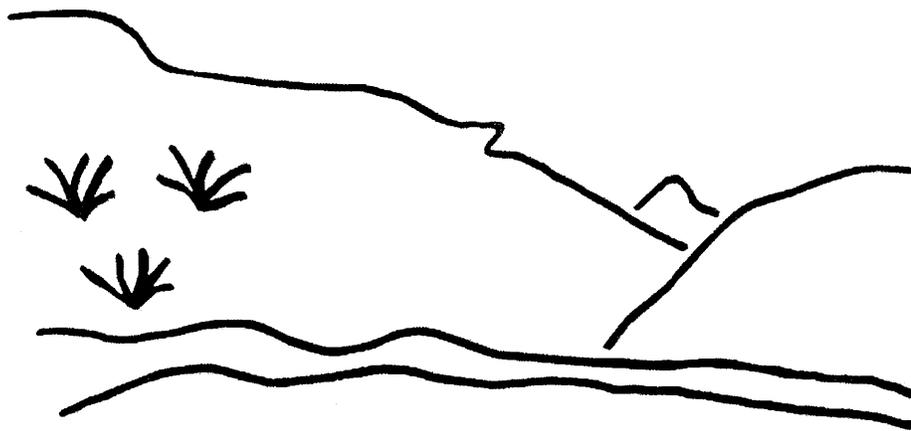
KRH/sd

Enclosure

cc: Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Star Point Mine
Permit Reduction
C/007/006-02D
Technical Analysis
August 22, 2002

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TECHNICAL ANALYSIS

TECHNICAL ANALYSIS

The Division regulates the Surface Mining Control and Reclamation Act of 1977 (SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

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TECHNICAL ANALYSIS

INTRODUCTION

INTRODUCTION

The Division received an application (AM02D) for a reduction in the permit and disturbed area acreage at the Star Point Mine on March 26, 2002. The request indicates a reduction to the permit area by 245.10 acres and a reduction to the disturbed area by 108.20 acres. The reduction to the permit area would reduce the acreage from 9,084 acres down to 8,838.90 acres. The application (AM02D) for a reduction in the permit and disturbed area acreage at the Star Point Mine has been requested due to the sale of the refuse pile and associated topsoil borrow area (171.20 acres) to Sunnyside Cogeneration Associates (SCA) and by elimination of BLM lands adjacent to the Refuse Pile (73.9 acres). SCA currently has an application for a permit (C/007/042-ACR-PM02A) into the Division.

The Star Point Mine is in final reclamation at the present time and plans to complete reclamation activities by the end of 2002. The maps submitted with this amendment indicate (SCA) as the new surface owner, the revised permit area and outlines the areas not subject to reclamation activities under the current permit C/007/006. Plateau Mining Corporation (PMC) has indicated that it will not conduct any reclamation activities on the refuse pile and topsoil borrow area. These areas have been omitted because responsibility for reclamation of these parcels of land will be assumed by SCA as described in their new permit, when the fuel resource is depleted.

This request for a reduction in the permit and disturbed area by PMC is directly related to SCA receiving their permit (C/007/042-ACR-PM02A) and the subsoil pile located north of the lower facilities, which is dedicated for the reclamation of the refuse pile in PMC permit, being transferred with the sale of the refuse to SCA.

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INTRODUCTION

SUMMARY OF DEFICIENCIES

SUMMARY OF DEFICIENCIES

The Technical analysis of the proposed permit changes cannot be completed at this time. Additional information is requested of the permittee to address deficiencies in the proposal. A summary of deficiencies is provided below. Additional comments and concerns may also be found within the analysis and findings made in this Draft Technical Analysis. Upon finalization of this review, any deficiencies will be evaluated for compliance with the regulatory requirements. Such deficiencies may be conditioned to the requirements of the permit issued by the division, result in denial of the proposed permit changes, or may result in other executive or enforcement action and deemed necessary by the Division at that time to achieve compliance with the Utah Coal Regulatory Program.

Accordingly, the permittee must address those deficiencies as found within this Draft Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

Regulations

- R645-301-112**, The Permittee should label the area outlined on Plate 112.500a for the Phillips Petroleum gas wells and utility corridor. 8
- R645-301-114**, The application must include current information in Exhibit 112.500a for transfer of the subsoil pile. 9
- R645-301-121.100**, The proposed changes to the MRP must contain current information concerning the status of the subsoil stockpile. The current information must be included in acreage figures and maps. 9
- R645-301-121.200**, The Permittee must show the correct permit boundary lines on Map 321.100h and other map in the submittal. 12
- R645-301-232.500**, The Permittee must show the transfer of the subsoil dedicated for reclamation of the refuse pile in Table 233.100, Table 542.200a, and in the narrative of Sections 234 thru 234.320. 16
- 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. 12

SUMMARY OF DEFICIENCIES

- R645-301-521.141**, The Permittee must supply tables that show the number of permit acres before and after the transfer and the number of disturbed acres before and after the transfer. 14
- R645-301-761**, The information provided does not meet the minimum Hydrologic Reclamation Plan. The proposed reduction should also comply with R645-301-121.100, clearly stating the permit application format and content. The proposed changes to the MRP must contain current information concerning the status of the hydrologic structures and drainages. 17

GENERAL CONTENTS

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

The following information was submitted with the amendment:

- Chapter 100, General – Legal, Financial, Compliance, List of Exhibits Page.
Exhibit 112.500a, Sunnyside Cogeneration Associates – Property Deed was added.
- Chapter 100, Pages 100-01, 100-02, 100-03, and 100-04.
Page 100-01, Paragraph added to indicate SCA as owner of refuse pile.
PMC address updated.
Page 100-02, PMC address updated.
Page 100-03, PMC address updated SCA and address added, sentence added to indicate SCA as owner of refuse pile.
Page 100-04, PMC address updated SCA and address added, reference to Exhibit 112.500a added.
- Chapter 100, Exhibit 112.300a, PMC Officers and Directors.
Updated Exhibit 112.300a PMC Officers and Directors list.

This information upon approval will replace the current pages in the MRP.

Plate 112.500a shows lands transferred from Plateau Mining Corporation to Sunnyside Cogeneration Associates (SCA). The Plate shows the transfer of the refuse pile and the borrow area, but not the subsoil pile. The Division understands that transfer of the subsoil pile is pending and Plate 112.500a will require modification with the next submittal.

Section 412.110 indicates that the preparation plant and mine rescue training field will be turned over to oil and gas development by Phillips Petroleum Company. This land use change is currently under review by the Division (AM02C). The portion of the permit area to be affected by this land use change is located in Carbon County, Utah, Township 15 South, Range 8 East SLB&M, Section 10: Portions of the S ½ that are North of County Road 290.

GENERAL CONTENTS

Findings:

The information provided does not meet the minimum Identification of Interest requirements of the Regulations. The application must include current information as requested by another reviewer under Permit Application Format and Contents and prior to approval the Permittee must provide the following in accordance with:

R645-301-112, The Permittee should label the area outlined on Plate 112.500a for the Phillips Petroleum gas wells and utility corridor.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

Chapter 100, Exhibit 112.500a Sunnyside Cogeneration Associates – Property Deed and map 112.500a Surface Ownership and Permit Area Boundary have been submitted as part of this amendment. Exhibit 112.500a is being added to the MRP and Map 112.500a has been updated with new ownership information and will replace the current map in the MRP.

The information contained on the documents referenced above outline the area that has been sold to Sunnyside Cogeneration Associates (SCA). SCA is in the process of obtaining a permit for the refuse pile. This refuse pile will be used as a fuel source for the cogeneration plant located in Sunnyside. The property deed above shows the land that PMC has sold to SCA. Other portions of the refuse pile are on BLM Lease Land. The permit boundary indicated on Map 112.500a currently shows the removal from the permit area of the land sold to SCA and the BLM Lease Area.

The legal description of the land transferred is in Exhibit 112.500a. The Exhibit describes the transfer of the refuse pile and the borrow area, but not the subsoil pile. The Division understands that transfer of the subsoil pile is pending and Exhibit 112.500a will require modification with the next submittal.

Findings:

The permit boundary indicated on Map 112.500a has been checked and accurately shows the ground sold to SCA and the BLM Lease Land as being removed from the permit area.

GENERAL CONTENTS

The information provided does not meet the minimum Identification of Interest requirements of the Regulations. Prior to approval the Permittee must provide the following in accordance with:

R645-301-114, The application must include current information in Exhibit 112.500a for transfer of the subsoil pile.

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

Public Notification of the proposed permit reduction and transfer of lands to SCA was authorized by the Division on June 25, 2002 and will be included in the SCA application, 007042-PM02A.

Findings:

The information provided meets the minimum Public Notice and Comment requirements of the Regulations.

PERMIT APPLICATION FORMAT AND CONTENTS

Regulatory Reference: 30 CFR 777.11; R645-301-120.

Analysis:

The Operator has told the Division that SCA has bought and will permit the subsoil stockpile. The subsoil primarily originated from development of the refuse pile. This information was not included in the acreage calculations for pages 300-3 through 300-6 of this amendment or shown on Map 321.100h.

Findings:

The information provided does not meet the minimum Permit Application Format and Contents requirements of the regulations. Prior to approval and in accordance with:

R645-301-121.100, The proposed changes to the MRP must contain current information concerning the status of the subsoil stockpile. The current information must be included in acreage figures and maps.

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GENERAL CONTENTS

ENVIRONMENTAL RESOURCES INFORMATION

ENVIRONMENTAL RESOURCE INFORMATION

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

GENERAL

Regulatory Reference: 30 CFR 783.12; R645-301-411, -301-521, -301-721.

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.

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 Map321.100h 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

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

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

Analysis:

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.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Affected Area Maps

The disturbed area will be reduced by 108.20 acres as described in Table 321.100b. The plan indicates in Section 521.141 that the affected area is presented on Maps 116.100a, 116.100b, and 116.100c. These maps were not revised with the submittal.

OPERATION PLAN

Findings:

The information provided does not meet the minimum Operations Plan Affected Area Map requirements of the Regulations. Prior to approval the Permittee must provide the following in accordance with:

- R645-301-521.141**, The Permittee must supply tables that show the number of permit acres before and after the transfer and the number of disturbed acres before and after the transfer.

RECLAMATION PLAN

RECLAMATION PLAN

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

Cut and Fill balance is shown on Table 542.200a. Transfer of the refuse to SCA presents the obvious change in this table of fill required for cover over the refuse pile. The Table has not been amended to show that the subsoil pile will also be eliminated from the Star Point reclamation plan. This deficiency has been address under Reclamation Plan, Topsoil and Subsoil below. The Table does indicate that during reclamation of the Lion Deck, an additional 153,901 cubic yards of fill are required. Much of this fill came from the main channel and lower facilities area the final cover is coming from the Lion Deck outslopes.

Findings:

The information provided does not meet the minimum Reclamation Plan Backfilling and Grading requirements of the Regulations. The application must include current information in Table 542.200a Cut and Fill Balance as requested below under Reclamation Plan Topsoil and Subsoil.

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-240.

Analysis:

Redistribution

Throughout the submittal a notation has been made that the refuse pile area and topsoil borrow area information is superceded by the SCA permit application (pp 100-1, 200-18, 400-1, 500-11, 500-72, 500-81, 500-84, 700-186); or reclaimed according to the Sunnyside Cogeneration Associates permit (page 300-55).

RECLAMATION PLAN

Page 200-18, Sections 234 thru 234.320, clearly indicates the plan to use the subsoil pile over the refuse pile. Table 233.100, The Reclamation Soil Balance for Coal Waste Cover, should be revised to show the removal of the subsoil stockpile north of the wash plant to the SCA permit application (P/007/042). Table 542.200a Cut and Fill Balance should likewise be revised to show the subsoil stockpile would remain dedicated to the refuse pile. (Both tables have been revised to show the elimination of the soil borrow area and removal of the refuse pile from the Star Point plan.)

Findings:

The information provided does not meet the minimum Reclamation Topsoil/Soil requirements of the Regulations. Prior to approval the Permittee must provide the following in accordance with:

R645-301-232.500, The Permittee must show the transfer of the subsoil dedicated for reclamation of the refuse pile in Table 233.100, Table 542.200a, and in the narrative of Sections 234 thru 234.320.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

Analysis:

Hydrologic Reclamation Plan

The Operator has not identified or described the hydrologic structures associated with the permit reduction. The last hydrologic reclamation plans identify reclamation of structures. Plans for reduction of permit lands should include a table of all structures associated with the Refuse Pile and should include type of structure, use, size, features, and capacity of structures associated with the area.

RECLAMATION PLAN

Findings:

The information provided does not meet the minimum Reclamation Hydrology requirements of the Regulations. Prior to approval, the Permittee must provide the following in accordance with:

R645-301-761, The information provided does not meet the minimum Hydrologic Reclamation Plan. The proposed reduction should also comply with R645-301-121.100, clearly stating the permit application format and content. The proposed changes to the MRP must contain current information concerning the status of the hydrologic structures and drainages.

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:

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

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RECLAMATION PLAN
