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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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TO: File

FROM: Daron R. Haddock, Permit Supervisor

DATE: January 8, 1992

RE: Administrative Completeness Review, Permit Renewal Application, U. S. Fuel Company, Hiawatha Mines Complex, ACT/007/011, Folder #2, Carbon County, Utah

SUMMARY

U. S. Fuel Company has provided an updated permit application package based on the R614 regulations and according to an approved schedule agreed upon by the Division.

For the most part Chapter 1, which contains the legal and financial information, is complete. There are, however, a few items that need to be supplied to the Division before a determination of administrative completeness can be made.

ANALYSIS

R645-301-112

IDENTIFICATION OF INTERESTS

The applicant has listed United States Fuel Company as a corporation and a wholly owned subsidiary of Arava Natural Resources Company Inc. Arava Natural Resources Inc. is a wholly owned subsidiary of Muller Industries Inc.

Officers and Directors for all three companies have been identified and addresses provided. The resident agent is Michael W. Baum, President/Director.

The only other affiliated coal mining and reclamation operation is Carpentertown Coal and Coke Company. There appears to be a typographical error under section 112.400 where it indicates that table I-1 lists the permits held by Carpentertown Coal and Coke. This should be table I-2.

Exhibits IV-1 and IV-2 show names and addresses of all surface and subsurface landowners.

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MSHA numbers for all mine-associated structures have been provided. However MSHA numbers for the slurry ponds and refuse piles are listed in Table I-3. This should be stated under section 112.700.

Compliance:

The applicant is considered to be in compliance with this section. There are a couple of minor editing problems that should be eventually corrected. These are the reference to table I-1 in section 112.400 and the identification of MSHA numbers for refuse piles and slurry ponds in section 112.700.

R645-301-113

VIOLATION INFORMATION

The applicant indicates that no affiliated company has ever had a permit revoked or forfeited a performance bond.

The application contains a list of U. S. Fuel violations the last of which was issued on September 15, 1989. The application indicates that this list will be updated in October 1991, however this has not been done. Violations for Carpentertown Coal and Coke operations have not been listed. If there are none, this must be stated.

Compliance:

The applicant is not considered to be in compliance with this section. An updated list of violations for U. S. Fuel Company must be provided and a list of any violations received by any Carpentertown Coal and Coke operation within the last three years must also be provided.

R645-301-114

RIGHT-OF-ENTRY INFORMATION

Table I-1 of the application describes the documents under which the applicant bases their legal right to enter and begin coal mining and reclamation operations.

Compliance:

The applicant is in compliance with this section.

R645-301-115

STATUS OF UNSUITABILITY CLAIMS

The applicant has conducted coal mining activities in this area many years prior to the 1977 SMCRA act. The original permit findings indicate that there are no lands designated unsuitable for mining activities and that the applicant has an established right to conduct those mining activities within 100 feet of the public road. All dwellings in the area are also owned by U. S. Fuel.

Compliance:

The applicant is in compliance with this section.

R645-301-116

PERMIT TERM

The applicant has provided some information regarding mining methods and estimated productivity. There is not adequate information on actual or anticipated starting dates or number of acres to be affected for each phase of mining operations.

Compliance:

The applicant is not in compliance with this section. Actual or anticipated starting dates for each phase of mining and the anticipated number of acres to be affected during each phase of mining must be submitted.

R645-301-117

**INSURANCE, PROOF OF PUBLICATION AND
FACILITIES OR STRUCTURES USED IN COMMON**

The applicant has provided a certificate of insurance which appears to meet the regulatory requirements, however the certificate expired on December 28, 1991. A new and valid certificate must be submitted.

Copies of the 1981 and 1984 proof of publications were included, however a copy of the newspaper advertisement for this permit renewal is not available. This should be submitted for review but is not required at this time. It must be filed with the Division not later than 4 weeks after the last publication.

There are no plans to share a facility with another permitted operation.

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Compliance:

The applicant is not in compliance with this section. A new and valid certificate of insurance must be filed with the Division. A proof of publication will need to be sent to the Division no later than 4 weeks after the last publication.

R645-301-118 FILING FEE

A filing fee was paid for the original 1981 permit, however a \$5.00 application fee must be submitted for each permit application. The renewal application is considered an permit application and must be accompanied by a \$5.00 application fee.

Compliance:

The applicant is not in compliance with this section. A \$5.00 application fee must be submitted to the Division.

R645-301-120 PERMIT APPLICATION FORMAT AND CONTENTS

The applicant has provided an updated MRP as required by the Division and in accordance with approved timeframes. A verification of application statement was provided which lists Gary L. Barker as the responsible official for the applicant. The form was not signed or notarized.

Compliance:

The applicant is not in compliance with this section. A signed and notarized Verification of Application is required.

RECOMMENDATION

The application cannot be considered administratively complete at this time. Additional information under the following sections must be provided:

**R645-301-113, R645-301-116, R645-301-117,
R645-301-118, R645-301-120**