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

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February 20, 1997

CERTIFIED RETURN RECEIPT REQUESTED
No. P 074 976 861

Mike Watson, President
U.S. Fuel Company
340 Hardscrabble Road
Helper, Utah 84526

Re: Division Order #97A, Hiawatha Mine, U.S. Fuel Company, ACT/007/011-97A,
Folder #3, Carbon County, Utah

Dear Mr. Watson:

The Division has completed a review of the Hiawatha mining and reclamation plan and have found it deficient. Pursuant to R645-301-212, the Division has prepared the attached order to correct the deficiencies. Further, the attached technical analysis has been prepared to describe the basis of the findings and to aid in responding to each deficiency.

We would be happy to help you with any questions that may arise. Should you desire further discussion or clarification please call Steven Johnson or Mary Ann Wright.

Sincerely,

A handwritten signature in cursive script that reads "Lowell P. Braxton".

Lowell P. Braxton
Deputy Director

smj

Enclosures

cc: Mary Ann Wright
Daron Haddock
Susan White
Steven Johnson

DO97ALET.WPD

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

PERMITTEE

U.S. Fuel Company

Mike Watson, President
340 Hardscrabble Road
Helper, Utah 84526

PERMIT NUMBER ACT/007/011
DIVISION ORDER # 97A

ORDER & FINDINGS
OF
PERMIT DEFICIENCY

PURSUANT to R645-303-212, the Division orders the permittee, U.S. Fuel Coal Company, to make the requisite permit changes enumerated in the findings of Permit Deficiency in order to be in compliance with the State Coal Program. These findings are to be remedied in accordance with R645-303-220.

FINDINGS OF PERMIT DEFICIENCY

A review of the current Mining and Reclamation Plan (MRP) and field investigations have revealed that certain activities associated with the mine are not adequately addressed or described in the MRP.

MAPS AND PLANS

Information Required to Be Submitted by Regulation Cited:

a. **Mine Facilities**

R645-301-142 — U.S. Fuel must show on one or more maps the location and configuration of all reclaimed areas. U.S. Fuel must update these maps any time a major phase of construction or reclamation is completed or any time the sediment control plan is changed. The maps must distinguish between areas disturbed before Surface Mine Control and Reclamation Act (SMCRA) that have not been used since August 3, 1977, areas initially disturbed before SMCRA that have been continuously used, and areas disturbed after the enactment of SMCRA.

R645-301-521 — U.S. Fuel must provide maps and cross sections that show the

operations surface facilities including permitted long-term equipment storage areas, noncoal waste storage area, etc. U.S. Fuel must update these maps to show the actual on the ground condition of the operational program.

SOILS

Information Required to Be Submitted by Regulation Cited:

a. Soils Resource Information

R645-301-220 — U.S. Fuel must clearly document the soil resources for locating any recoverable substitute soils and fills to be used during reclamation to help offset soil borrow needs. Provide on-site soil surveys of the lower Middle Fork, North Fork Facilities, Upper Railroad Yard and Preparation Plant surface disturbance areas with the detail and specificity necessary to adequately describe the soils, disturbed soils, and fills as for depth, volume, and quality. The detailed, on-site soil profile descriptions should include field notes correlated with soil pit locations and soil map delineations differentiating individual soil types. All soil maps must be updated accordingly and accurately scaled at less than 1 to 12,000. The Division requests notification for the location, sample density, and analytical procedures before U.S. Fuel Company conducts any additional soil surveys.

b. Operational Soils Plans

R645-301-232.720 and R645-301-140 — (1) U.S. Fuel must identify and utilize all excess and available disturbed and substitute soils prior to using borrow site soils. Based on reclamation soil redistribution needs, provide soil mass balance determinations based on salvaged soils, projected substitute soils, and fills. Correlate soil mass balance information with the on-site soil survey. Provide soil mass balance tables and maps that delineate locations, acreage, depths, and volumes. (2) Based on mass balance results, determine soil borrow amounts. Update soil borrow information accordingly and for all borrow related reclamation activities. Soil borrow affected areas and associated haul roads need to be portrayed on all maps as surface disturbance.

c. Reclamation Soils Plans

R645-301-233 and R645-301-553.252 — U.S. Fuel must conduct additional sampling of the newly disturbed surface materials on Slurry Ponds #1 to

ascertain the toxic- and acid-forming properties. The sampled material will be analyzed according to the Division's guidelines for management of topsoil and overburden.

BIOLOGY

Information Required to Be Submitted by Regulation Cited:

a. Interim Stabilization

R645-301-331 — U.S. Fuel must submit an interim revegetation plan for disturbed areas that will not be immediately seeded with a final reclamation seed mixture and where erosion or weed establishment could create problems.

b. Revegetation

R645-301-341 — U.S. Fuel must provide a plan to reduce compaction on areas prior to seeding.

R645-301-341.220 — U.S. Fuel must provide a revegetation plan that will incorporate appropriate seeding measures that will allow for establishment of important species (i.e., broadcasting species that require a shallow seeding depth).

R645-301-341.250 — U.S. Fuel must evaluate their reference areas to determine their range condition in accordance with NRCS guidelines. If U.S. Fuel is not all in fair or better range condition, U.S. Fuel must propose different success standards that meet the requirements.

R645-301-341.250 — U.S. Fuel must propose a revegetation success standard for all disturbed riparian areas.

LAND USE AND AIR QUALITY

Information Required to Be Submitted by Regulation Cited:

a. Land use

R645-301-411.140 — U.S. Fuel must provide maps and supporting narrative in the MRP, describing the cultural and historic resources within the permit or adjacent area listed, or eligible for listing, in the National Register of

Historic Places, which includes protection measures to be used during mining and reclamation activities.

ENGINEERING

Information Required to Be Submitted by Regulation Cited:

a. Operation plan

R645-301-341, R645-301-512.230, R645-301-536, R645-301-553.250, and R645-301-542.730 — U.S. Fuel must identify and provide a plan to clean up and properly place all miscellaneous coal and coal waste materials including, but not limited to, materials found in the cemetery and near the refuse piles, both in and adjacent to the disturbed areas. These areas include, but are not limited to: all stray coal piles, wind blown coal fines, coal waste piles and downcast coal materials.

R645-301-523 — Since U. S. Fuel has sealed the portals and begun to dismantle many structures, U.S. Fuel must update the operations plan to reflect their intent. In the update, U.S. Fuel must describe the future plans for all facilities. If U.S. Fuel plans to retain a structure for future use, U.S. Fuel must describe how that facility will be maintained. For any structure scheduled for demolition, U.S. Fuel must describe its reclamation and the reclamation of the surrounding area.

R645-301-526 — U.S. Fuel must update the mine facilities section of the operations plan. At a minimum, the U.S. Fuel must update the MRP with regards to the use, maintenance and removal of mine structures. Since bond release for the demolition of structures cannot be granted until all the requirements of Phase I bond release have been met, U.S. Fuel must maintain two separate lists. One list and map must show the current conditions and the other must show the structures with regards to bond calculations.

R645-301-528 — U.S. Fuel must provide a narrative explaining the modification, use, and maintenance of the coal waste, refuse and impoundment structures. The narrative must also explain the coal storage, loading, hauling, handling and associated haul roads located within the railroad right of way.

R645-301-116.100 — U.S. Fuel must update the MRP to describe the anticipated or actual starting and termination dates of each phase of coal mining and reclamation operation and the anticipated number of acres of

land to be affected during each phase of mining and reclamation over the life of the mine.

b. Reclamation plan

R645-301-527.123 and R645-301-527.123 — U.S. Fuel must either reclaim the North Fork Canyon ancillary road or reclassify it as primary.

R645-301-542.100 — U.S. Fuel must provide a detailed timetable for the completion of each major step of reclamation, including but not limited to, a description of the removal of equipment, demolition of structures, backfilling and grading of all disturbed areas. This may require adding to or modifying Table III-9 or another such table to include Slurry Pond 5A and the South Fork facilities.

R645-301-850.100 — The current reclamation bond does not cover the railroad loadout area and the associated haul road. U.S. Fuel must include the loadout and haul road as part of the affected area.

HYDROLOGY

Information Required to Be Submitted by Regulation Cited:

a. Operation plan

R645-301-742.110 — U.S. Fuel must design and maintain all sediment control measures using the best technology currently available to prevent to the extent possible additional contributions of sediment runoff outside the permit area. This includes a description and location (shown on a map) of the sediment control measure with their respective areas.

R645-301-742.240 — U.S. Fuel has used the term small area exemption (SAE) and alternate sediment control areas (ASCA) synonymously. According to the Division Directive Tech-003A, these terms are specific to different types of areas. U.S. Fuel must either demonstrate that siltation structures and alternate sediment control measures are not needed to control sediment for any SAE, or re-identify current SAEs as ASCAs and include the appropriate sediment control designs.

R645-301-742-200 — U.S. Fuel must officially identify and design Slurry Pond 5A as a siltation structure or redesign sediment control for areas currently treated by that pond.

R645-301-742.312 — U.S. Fuel must include designs and design summaries for all diversions including all undisturbed-area and disturbed-area ditches and culverts for insertion into the MRP.

b. Reclamation

R645-301-746.330 — U.S. Fuel must provide adequate designs for drainage control of coal mine waste areas during reclamation. Designs must be provided for Slurry Pond 1, Slurry Pond 5 and Refuse Pile 1, and as-builts must be submitted for the reclamation work already completed on the Slurry Pond 4/Refuse Pile 2 complex.

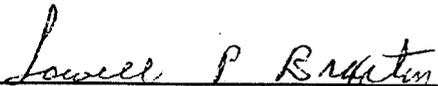
R645-301-742.110 and R645-301-542.500 — U.S. Fuel must design sediment control measures for all reclamation activities, including interim and final steps. Further, U.S. Fuel must submit a schedule and timetable showing how U.S. Fuel will meet sediment control requirements throughout the reclamation process.

R645-301-742.312 — U.S. Fuel must include all diversion designs and summaries of these designs for insertion into the MRP. This includes all reclamation of undisturbed-area and disturbed-area ditches and culverts with ditch depths, widths and channel shapes.

ORDER

U. S. Fuel Company, is ordered to make the requisite permit changes in accordance with R645-303-220 and to submit a complete, adequate, and approvable application for permit change to address the findings of permit deficiency within 90 days of the date of receipt of this Order.

Ordered this 20th day of February 1997, by the Division of Oil, Gas, and Mining.



**Lowell Braxton, Deputy Director
Division of Oil, Gas and Mining**