



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

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TO: Internal Files

THRU: Priscilla W. Burton, Sr. Reclamation Specialist/Soils, Co-Team Lead 
 Dana Dean, Reclamation Specialist/Hydrology, Co-Team Lead

FROM: Karl R. Houskeeper, Reclamation Specialist *KRH by an*

RE: Lila Canyon Extension, UtahAmerican Energy Inc., Horse Canyon Mine,
C/007/013-PM02B-1

SUMMARY:

On February 11, 2002, the Division received a request for Lila Canyon extension (PM02B) of the Horse Canyon Mine Permit C/007/013. The Division received additional information that supplemented the application on April 25, 2002. An informal conference was held on May 21, 2002 to discuss concerns from SUWA.

The existing MRP for Horse Canyon is referred to as Part A and the application for Lila Canyon Extension is referred to as Part B. The permit area for Horse Canyon Part A is 1327.75 acres and the proposed permit area for Lila Canyon Extension Part B is 4704.32 acres. The combination of Horse Canyon Part A and Lila Canyon Extension Part B would bring the total permit area to 6032.07 acres. The application for the Lila Canyon Extension has been classified as a significant revision. The review process for a significant revision is the same as the review process for a new permit application.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

TECHNICAL MEMO

Analysis:

The applicant, UtahAmerican Energy Inc., is a corporation organized and existing under the laws of the State of Utah. The information submitted shows the resident agent as R. Jay Marshall. Abandoned Mine Fees will be paid by Robert Murray. The application indicates ownership and control information and contains surface and sub-surface ownership information.

Findings:

The coal rule requirements have been met.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

A review of Appendix 1-3 Violation Information shows a list of violations from the applicant and any subsidiary or affiliate of the applicant. The date denoted on the bottom of the violation database is 08/28/98. Regulations requires that at least three years of violation history from the time of submission must be present in the application. Current violation information as required by regulation is not present in the current application.

A review of the (AVS) Applicant Violator System shows the state civil penalty of Belmont Coal (OH permit D1020) is coded "C" indicating a settlement, payment plan, or pending challenge.

Findings:

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

R645-301-113.300, Appendix 1-3 Violation Information needs to be updated to include at least three years of violation history from the applicant and any subsidiary or affiliate of the applicant. This violation information goes back three years from the time of submission of this application.

R645-300-132.110, Evidence that the violation at Belmont Coal (OH permit D1020) has been corrected or is in the process of being corrected to the satisfaction of the agency that has jurisdiction over the violation must be provided to the Division.

RIGHT OF ENTRY

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

Analysis:

The application contains the right of entry information required by regulations; however, the information requires a lot of review and correlation to clearly understand the difference between lease areas versus permit areas. This problem has been noted by other reviewers and has been addressed by the team lead as a deficiency. The applicant needs to provide clarification in the application to show lease areas versus permit areas and the difference in acreage between them.

The permit area for Horse Canyon (Part A) is located on page I-20 to I-22. The permit area for Lila Canyon Extension (Part B) is located in Appendix 1-5. The boundaries of the permit area for Horse Canyon (Part A) and Lila Canyon Extension (Part B) are shown on Plate 4-1 Surface Ownership of the Part B application. The different permit boundaries are distinguished by different colors of the specified line type. The Horse Canyon permit area A is described by using the Metes and Bounds system and the Lila Canyon Extension permit area B is described by using the Township Range system.

Findings:

The deficiencies associated with this topic are being addressed by the team lead under a separate memo.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

At the present time, the proposed permit area is not within an area designated as unsuitable for mining. UtahAmerican Energy Inc. will not conduct mining operations within 300 feet of a currently occupied building. UtahAmerican Energy Inc. will conduct mining or mining related activities within 100 feet of a public road. UtahAmerican Energy Inc. has received permission from Emery County to construct facilities and conduct mining activities within 100 feet of a public road. The letter of permission is located in Appendix 1-4.

Findings:

The coal rule requirements have been met.

PERMIT TERM

TECHNICAL MEMO

Regulatory References: 30 CFR 778.17; R645-301-116.

Analysis:

The application shows the anticipated starting and termination date of each phase of mining and reclamation operations in Chapter 1, Section 116. The dates indicated may vary since they indicate beginning in June 2002 and the application is still under review at the present time.

The following phases are indicated in the MRP:

<u>Phase</u>	<u>Begin</u>	<u>Complete</u>
Mining Pad, Support Structures, and Portals	June 2002	Dec. 2002
Begin Underground Work	June 2002	
Terminate Mining	Dec. 2026	

Findings:

The coal rule requirements have been met.

PUBLIC NOTICE AND COMMENT

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

Analysis:

The applicant placed an advertisement in a local newspaper of general circulation. The advertisement contained all the required information, except notification of mining within 100 feet of the outside right-of-way of a public road. The advertisement included a map. A request for an informal conference was received from SUWA. The informal conference was held on May 21, 2002 to discuss the concerns of SUWA.

Findings:

The following deficiency was identified. Accordingly, the permittee must address the deficiency as found within this Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

R645-300-121.150, The Permittee must provide public notice of the intention to conduct mining within 100 feet of the outside right-of-way of the relocated and existing public roads and closure of the road during installation of a culvert in the existing public road.

FILING FEE

Regulatory Reference: 30 CFR 777.17; R645-301-118.

Analysis:

A filing fee of \$5.00 was submitted with the application.

Findings:

The coal rule requirements have been met.

PERMIT APPLICATION FORMAT AND CONTENTS

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

Analysis:

There is confusion in the Right of Entry information referenced above. The application needs to be clear and concise and filed in the format required by the Division. The requirements also specify that the information be current.

Findings:

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

R645-301-121.200, Clarifications on Federal Leases acreage verses Permit Area acreage needs to be resolved to make the permit clear and concise. Requirements for current information in the application will be addressed under the specific titles and their contents.

REPORTING OF TECHNICAL DATA

Regulatory Reference: 30 CFR 777.13; R645-301-130.

Analysis:

One public comment was received concerning qualified persons conducting surveys. A review by Division management and staff of the information provided in the application has been done. Regulation requires that the "Technical analysis will be planned by or under the direction of a professional qualified in the subject to be analyzed". Information has been provided to the

TECHNICAL MEMO

Division on the qualification of some professionals used in the technical data and analysis. These qualifications are now present in the PAP; however, the qualifications of all professionals used in the collection and analysis of technical data have not been provided.

Findings:

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

R645-301-130, The qualifications of all professionals used in the collection and analysis of technical data needs to be provided to the Division.

MAPS AND PLANS

Regulatory Reference: 30 CFR 777.14; R645-301-140.

Analysis:

The maps submitted within the application meet the size requirements specified in the coal rules.

Plate 5-1, Previously Mined Areas, delineates the old works of the Horse Canyon Mine and the Book Cliffs Coal Company. Plate 5-1 does not delineate coal mining and reclamation operations that occurred prior to August 3, 1977 (Pre-SMCRA) and/or after August 3, 1977 (Post-SMCRA). This plate should be updated to show the areas of (Pre-SMCRA) and (Post-SMCRA) mining activities.

Findings:

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

R645-301-142 et seq., Plate 5-1, Previously Mined Areas needs to be updated to delineate coal mining and reclamation operations that occurred prior to August 3, 1977 (Pre-SMCRA) and/or after August 3, 1977 (Post-SMCRA).

COMPLETENESS

Regulatory Reference: 30 CFR 777.15; R645-301-150.

Analysis:

An application to conduct coal mining and reclamation activities has been submitted.

Findings:

Completeness and minimal requirements referenced in this section will be addressed by individual reviewer's utilizing their specified disciplines.

RECOMMENDATIONS:

Prior to approval, the permittee must comply with the deficiencies referenced in the regulations cited above.