

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

June 2, 2004

TO: Internal File

THRU: Wayne Western, Co-Team Lead

FROM: Dana Dean, P.E., Senior Reclamation Hydrologist/Co-Team Lead

RE: Lila Canyon Extension, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Task #1859

SUMMARY:

UtahAmerican Energy (UEI, the Permittee) submitted its latest PAP to extend the Horse Canyon Mine on February 24, 2004. The Division re-reviewed the PAP for administrative completeness due to the length of time since the last review. This required the Permittee to publish a new public notice and opened a new public comment period.

The PAP does not meet the minimum requirements of the regulations. The Division should not approve the permit until the Permittee satisfies each of the deficiencies described below.

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TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

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

Analysis:

The Permittee has included ownership information required by R645-301-112, however it is not clear that the information is current. Some of the information is dated November 1998. The Permittee must update the information, or provide a statement from the Secretary of the Corporation that all information is current. The Permittee is UtahAmerican Energy, Inc., a corporation qualified to do business in the State of Utah. The Permittee supplied all required information regarding names, addresses, telephone numbers, and employer identification numbers, however the Division would like an assurance that the information is current.

Findings

The information found in the PAP is inadequate. Before approval, the Permittee must provide the following in accordance with:

R645-301-112, The Permittee must update the Ownership and Control information, including a statement from the Secretary of the Corporation that the information is current.

VIOLATION INFORMATION

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

Analysis:

The Permittee provided violation information for the applicant and affiliated coal companies for the period February 1999 to February 2002. The violation information needs to include the last 3 years; therefore, the Permittee must provide updated violation information for the period from February 2001 to February 2004.

A review of the Applicant Violator System (AVS) done on June 2, 2004 showed that no violations were retrieved by the system.

Findings:

The information found in the PAP is inadequate. Before approval, the Permittee must provide the following in accordance with:

R645-301-113.300, The Permittee must provide violation information for the three-year period preceding the application date (February 2001 to February 2004).

RIGHT OF ENTRY

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

Analysis:

The BLM signed a Decision Record for the Lila Canyon Mine Project on November 27, 2000. The BLM decided to grant a right-of-way to UtahAmerican for the construction and operation of the Lila Canyon facilities. Though the case is in litigation, the BLM is prepared to grant the right-of-way (see letter dated Jan 4, 2001 in appendix 1-6).

Findings:

Information provided in the PAP meets the minimum requirements of the Right of Entry section of the regulations.

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:

The PAP includes a proper legal description and maps indicating where the permit area is to be located as well as the status of adjacent lands.

The permit area does not include any lands within an area designated as unsuitable for mining, or under study for designation as unsuitable for mining.

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The Turtle Canyon Wilderness Study Area does jut into the permit area, but the only effect mining would have on it would be subsidence, which is not considered surface disturbance under the Rules. In any case, the Permittee has valid and existing rights (VER) to mine the coal in the areas currently under lease.

Findings:

Information provided in the PAP meets the minimum requirements of the Legal Description and Status of Unsuitability Claims section of the regulations.

PERMIT TERM

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

Analysis:

The PAP includes anticipated starting and termination dates for the life of the mine in section 116. They are as follows:

Phase	Begin	Complete
Mining Pad, Support Structures, and Portals	June 2004	Dec. 2004
Begin Underground Work	June 2004	
Terminate Underground Mining		Dec. 2028

The Permittee will most likely need to adjust these dates, depending on when the Division approves the application. However, the information indicates that construction will begin as soon as the Division issues a permit, construction will take approximately 6 months, and mining will last approximately 24 years.

Findings:

Information provided in the PAP meets the minimum requirements of the Permit Term section of the regulations.

PUBLIC NOTICE AND COMMENT

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

Analysis:

The Permittee published public notices in the Sun Advocate, and the Emery County Progress, however they did not provide the Division with an affidavit of publication. The affidavit of publication should have been submitted no later than 4 weeks after the last date of publication.

Findings:

The information found in the PAP is inadequate. Before approval, the Permittee must provide the following in accordance with:

R645-301-117.200, The Permittee must provide the Division with an affidavit of publication for each public notice used to satisfy the public notice requirements.

FILING FEE

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

Analysis:

The Permittee paid a five-dollar filing fee as required by the Rules.

Findings:

Information provided in the PAP meets the minimum requirements of the Filing Fee section of the regulations.

REPORTING OF TECHNICAL DATA

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

Analysis:

The Permittee has provided the names and qualifications of the individuals and organizations that collected and analyzed data included in the PAP.

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Findings:

Information provided in the PAP meets the minimum requirements of the Reporting of Technical Data section of the regulations.

MAPS AND PLANS

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

Analysis:

All maps and plans that the Permittee submitted with the PAP comply with the size requirements of the regulations. Plate 5-1 shows the areas mined prior to, and after August 3, 1977. There is no surface disturbance in the Lila Canyon Extension area.

Findings:

Information provided in the PAP meets the minimum requirements of the Maps and Plans section of the regulations.

COMPLETENESS

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

Analysis:

The Permittee submitted a Permit Application Package (PAP) to the Division on February 24, 2004. The Division determined the PAP to be *administratively* complete on March 26, 2004. The *technical* adequacy of the PAP is the subject of each reviewer's Technical Memo.

Findings

The information found in the PAP is inadequate. Before approval, the Permittee must provide the following in accordance with:

R645-301-150, The Permittee must provide the Division with all information required to constitute a technically complete permit by addressing the deficiencies mentioned in each reviewer's Technical Memo

RECOMMENDATIONS:

The Division should not approve the PAP until all deficiencies described above are adequately addressed.

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