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*Governor*

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January 6, 2004

Jay Marshall, Resident Agent  
UtahAmerican Energy Inc.  
P.O. Box 986  
Price, Utah 84501

Re Midterm Permit Review, UtahAmerican Energy Inc., Horse Canyon Mine, C/007/013, Task ID #1750, Outgoing File

Dear Mr. Marshall:

The above-referenced midterm review has been conducted. 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 complete the midterm review process, please respond to these deficiencies by February 6, 2004.

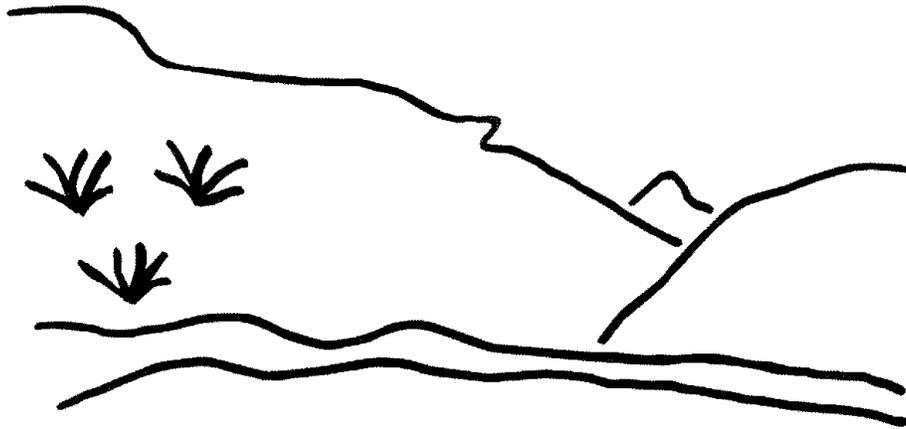
If you have any questions, please call me at (801) 538-5325 or Karl R. Houskeeper at (435) 613-5330.

Sincerely,

Daron R. Haddock  
Permit Supervisor

KRH/sd  
Enclosure  
cc: Price Field Office  
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# State of Utah



## Utah Oil Gas and Mining

### Coal Regulatory Program

Horse Canyon Mine  
Midterm Permit Review  
C/007/013  
Task ID # 1750  
Technical Analysis  
December 29, 2003



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## TECHNICAL ANALYSIS

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# 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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## INTRODUCTION

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## INTRODUCTION

The Division is required to review each active permit during its term, in accordance with R645-303-211. A Midterm Review takes place at the midpoint of the permit term (November 6, 2003 for the Horse Canyon Mine) and covers pertinent elements. The Division has conducted the Midterm Review for the Horse Canyon Mine. Elements selected for review during the Midterm are outlined in the Division's letter to UtahAmerican Energy, Inc. dated October 16, 2003.

Discussions with the operator and Division staff indicate that the operator has a pending application before the Division, Task ID #1756. Task ID # 1756 is a request for a Post Mining Land Use change.



**SUMMARY OF DEFICIENCIES**

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**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***

**R645-301-744.100**, the Permittee needs to update Drawing III-1A-1 to include Berm Channel 31 that discharges from the west side of the pre-law refuse pile to Horse Canyon Creek. .... 11

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**SUMMARY OF DEFICIENCIES**

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## GENERAL CONTENTS

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# GENERAL CONTENTS

## IDENTIFICATION OF INTERESTS

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

### **Analysis:**

The information contained in the currently approved MRP is outdated and has discrepancies when compared to the AVS system for the midterm review. The officers and directors list for the corporations associated with this permit has changed since this permit was re-issued.

### **Findings:**

The discrepancies found in the midterm review for the officers and directors list will be addressed under a separate permitting action, Task ID #1756 as indicated in the summary of this memo. Division supervision felt that this was the best way to address the deficiencies and not to run two permitting actions against each other.

## 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 list of violations for the three previous years in the approved MRP is outdated and needs to be updated.

### **Findings:**

The deficiencies found in the midterm review for three previous years of violation history will be addressed under a separate permitting action, Task ID #1756 as indicated in the summary of this memo. Division supervision felt that this was the best way to address the deficiencies and not to run two permitting actions against each other.

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**GENERAL CONTENTS**

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## OPERATION PLAN

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# OPERATION PLAN

## FISH AND WILDLIFE INFORMATION

Regulatory Reference: 30 CFR Sec. 784.21, 817.97; R645-301-322, -301-333, -301-342, -301-358.

### Analysis:

#### **Wetlands and Habitats of Unusually High Value for Fish and Wildlife**

Adverse effects of mining on water quantity to the Colorado River drainages do affect four Colorado River endangered fish species (Colorado pikeminnow, humpback chub, bonytail chub, and razorback sucker). The USFWS considers water depletion to the Colorado River drainage as a potential jeopardy to these endangered fish. Water users may be required to mitigate if the overall water consumption is greater than 100 acre-feet per year.

The Permittee is required to address possible adverse affects to these four fish species by first calculating the amount of water used by all mining operations and explorations. The “Windy Gap Process” provides a guideline of parameters necessary to calculate overall water consumption for coal mines. The Permittee may obtain the “Windy Gap Process as it Applies to Existing Coal Mines in the Upper Colorado River Basin” (Discussion Paper) from the USFWS (801-975-3330). This discussion paper provides descriptions of equation parameters and guidelines for coal operators to follow. In brief, consumption estimates must at least include the following:

- Mining consumption
- Ventilation consumption
- Coal producing consumption
- Ventilation evaporation
- Sediment pond evaporation
- Springs and seep effects from subsidence
- Alluvial aquifer abstractions into mines
- Alluvial well pumpage
- Deep aquifer pumpage
- Postmining inflow to workings
- Coal moisture loss
- Direct diversions

The Permittee plans to provide all equations and justifications with supporting documentation leading to the overall sum of water depletions/additions for all mining operations and explorations at Lila Canyon (R645-301-322; -301-333). The Permittee will submit all requested information with the forthcoming Lila Canyon amendment.

**Findings:**

Information provided in the application is considered adequate to meet the minimum Fish and Wildlife Information section of the Operation Plan regulations. The Division reminds the Permittee, however, that the Permittee must provide all equations and justifications with supporting documentation leading to the overall sum of water depletions/additions for all mining operations and explorations with the Lila Canyon amendment.

**HYDROLOGIC INFORMATION**

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

**Analysis:**

**Sediment Control Measures**

Sediment control measures are in place during reclamation to prevent additional contributions of sediment to stream flow or runoff outside the permit area. Because mining activities have ceased, sediment controls are limited to those associated with drainage as outlined on Drawing Number VI-3, Drainage Details. These controls include diverting runoff using protected channels and culverts through disturbed areas, the use of riprap to reduce overland flow velocities, and silt fences to trap sediment.

**Siltation Structures: General**

Runoff at the site is conveyed to silt fences as shown in Table 6.6.1-1A and on Drawing Number VI-3, Drainage Details. The permittee has committed to the inspection and maintenance of the silt fences to ensure that all runoff is passed through them. During the midterm site inspection, it was noted that several silt fences were in need of maintenance and repair. These include silt fences located in watershed area 2 at the former Sediment Pond No. 1; watershed area 30 east of the former culvert at the refuse pile; watershed area 33; and watershed area 34.

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## OPERATION PLAN

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### Discharge Structures

Discharge structures in place during reclamation include berms and ditches. Design information for the discharge structures are in Table 6.5.1-2 and again for the ditches on Drawing Number VI-3. During the midterm site inspection, it was observed that two ditches were in need of repair: 1) ditch number 3A used to discharge to the former Sediment Pond No. 1 had extensive erosional rilling for approximately 50 feet beyond the extent of the ditch riprap; and 2) Berm channel 31 (Volume III, Appendix VI-3) west of the pre-law refuse pile that discharges to Horse Canyon Creek has completely failed where the channel had been realigned following removal of a culvert.

### Findings:

The permittee needs to repair the final 50 feet of both ditch 3A and the berm channel 31 west of the pre-law refuse pile, according to the designs incorporated into Table 6.5.1-2 and the table on Drawing VI-3 and/or as discussed with Division personnel. This work will be completed as soon as access to the areas is possible from the current winter conditions, preventing any environmental harm.

Diversion and sediment control information is not sufficient to meet the requirements of the Coal Mining Rules. Before the Midterm Review can be approved, the Permittee needs to provide the following information:

**R645-301-744.100**, the Permittee needs to update Drawing III-1A-1 to include Berm Channel 31 that discharges from the west side of the pre-law refuse pile to Horse Canyon Creek.



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**RECLAMATION PLAN**

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## **RECLAMATION PLAN**

### **BONDING AND INSURANCE REQUIREMENTS**

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

#### **Analysis:**

##### **Determination of Bond Amount**

The current bond for the Horse Canyon Mine is \$2,809,000; of that amount \$1,061,328 is for the part of Horse Canyon that is under reclamation. An additional \$1,556,000 is for the proposed Lila Canyon addition. The work needed for Phase III bond release consists most of vegetation success and maintenance. The amount of bond for the part of Horse Canyon under reclamation is adequate.

The Division has not yet approved the Lila Canyon addition. Before approval, the Permittee must submit a revised MRP. The Division will evaluate the bond as part of the review and make adjustments as needed.

#### **Findings:**

The information in the MRP is adequate to meet the minimum requirements of this section of the regulations.

