

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

OK

September 20, 2006

TO: Internal File

THRU: Wayne H. Western, Team Lead *W#W*

FROM: Priscilla Burton, CPSSc, Environmental Scientist III *PWB by an*

RE: Phase III Bond Release UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Task ID #2573

SUMMARY:

UtahAmerican Energy applied for Phase III bond release of 73.28 acres disturbed by the Horse Canyon Mine, including the 16.18 acres that was transferred to the College of Eastern Utah for a residential/recreational land use, 51.07 acres that has previously received Phase II bond release and 6.5 undisturbed acres associated with the borrow area and .02 acres supporting bridge abutments. The Horse Canyon refuse pile drainage channel (0.49 acres) and the Lila Canyon portals are not included in this bond release application.

Grading of 51.56 acres at the Horse Canyon site was completed in 1991. As Built information for these areas is found in Chap. 2 and 3 of Vol. 1 and Plates III-2A through G. Phase I bond release for the 51.56 acres was granted February 5, 1997 and Phase II bond release was granted on April 11, 2002. Neither Phase I, nor Phase II bond release was ever granted for the 6.5 undisturbed acres associated with the borrow area, the Horse Canyon Road or the bridge abutments. Letters in the Division's files indicate that the bridge abutments were left for future mining expansion and were to be removed after mining (letter from IPA, received 9/18/96). Recent correspondence to the Division from Emery County (dated August 31, 2006) requests that one bridge abutment be removed and the other be left to stabilize the channel/road embankment.

The mine facilities area (16.18 acres) was deeded to the College of Eastern Utah in September 2005 (App. III-1-1). Structures remaining after reclamation to support the recreational/residential post mining land use are listed in Exhibit E of the Asset Assignment Agreement included as App. III-I-I of this application.

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Mine waste such as that photographed and commented upon during the April 20, 2006 inspection (fan portal collar) must be removed prior to Phase III bond release. MRP App. X-4 Ex. D reveals that the metal fan housing was specified to be removed from the site by CEU before the transfer of ownership. Also fencing along the County road must be removed prior to Phase III bond release.

This is a review of the administrative information for the Horse Canyon Mine. Phase III bond release is not recommended at this time.

TECHNICAL ANALYSIS:

RECLAMATION PLAN

ADMINISTRATIVE DETAILS

Regulatory Reference: 30 CFR Sec. 800.40 (a) (2) and (b); R645-301-880.120.

Analysis:

The application does meet the following requirements for bond release:

1. It includes a notarized C1C2 form attesting to the fact that all information in the application is accurate, and includes a notarized statement certifying that all reclamation activities were accomplished in accordance with the Act and the approved reclamation plan.

The application for bond release does not meet the administrative requirements because:

1. Although it includes a copy of the public notice in Ex. III-1-3 to be published in both the Emery County Progress and the Sun Advocate, the public notice states that the bond release is for "all lands currently in Permit C/007/013 except for 0.49 acres at the Road Junction Refuse Pile" (subject of document 0065 in the 2006 Outgoing folder), but fails to mention the Lila Canyon portals as being removed from Phase III bond release (subject of discussion in document 0064, 2006 Outgoing folder), and one bridge abutment (estimated at 0.01 acre).
2. The public notice is missing the SE4 of Section 4.
3. It includes a copy of the notification letter sent to the Mayor of East Carbon in Ex. III-1-2; and provides a list of addressee's who also received the letter, but that list does not include the College of Eastern Utah, property owner of acreage within the permit boundary

The Division and the BLM requested that the Lila Canyon portals be reclaimed by letter dated August 17, 2006 (document 0064, 2006 Outgoing folder).

Neither Phase I, nor Phase II bond release was ever granted for the bridge abutments. Letters in the Division's files indicate that the bridge abutments were to be removed after mining (letter from IPA, received 9/18/96). Recent correspondence to the Division from Emery County (dated August 31, 2006) requests that the east bridge abutment is removed and the west abutment be left to stabilize the road embankment.

During the April 20, 2006 inspection of the site, DOGM staff noted that the fan portal collar and fencing must be removed from the site. DOGM especially noted that fencing does not promote the wildlife post-mining land use. Emery County has recently noted that the fencing along the County road must be removed to facilitate maintenance of the road ditches.

Findings:

R645-301-880.120, The public notice must state that the Phase III bond release will not cover the Lila Canyon portals (subject of discussion in August 17, 2006 document 0064, 2006 Outgoing folder). Where bond monies are discussed in the public notice, acknowledgement of monies retained for reclamation of the Lila Canyon portals is requested. • Only 0.01 acres supporting a bridge abutment will receive bond release, as the east abutment must be removed prior to receiving bond release (letter from IPA, received 9/18/96) and the other will remain (per Emery County request by letter to the Division, dated 8/31/06). Monies for removal of the east abutment should be retained in the bond. • Mine waste such as that photographed and commented upon during the April 20, 2006 inspection (fan portal collar) must be removed prior to Phase III bond release. MRP App. X-4 Ex. D reveals that the metal fan housing was specified to be removed from the site by CEU before the transfer of ownership. • All fencing must be removed from the site, along the County road and around the borrow area and refuse site. Monies should be retained for removing fencing along both sides of the County road through the permit area and around the borrow area.

RECOMMENDATIONS:

The application is not recommended for approval.