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State of Utah

DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Outgoing
C0070013
#3351
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November 5, 2009

Jay Marshall, Resident Agent
UtahAmerican Energy, Inc.
P.O. Box 910
East Carbon, Utah 84520-0910

Subject: Letter of Deficiency –Lila Canyon Mine Facilities Area Design Changes,
UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/0013, Task ID #3351,
Outgoing File

Dear Mr. Marshall:

Enclosed is a list of deficiencies identified in the Lila Canyon Mine Surface Design Changes Application, submitted on July 15, 2009. The initials following the regulation(s) identify the person who reviewed and analyzed the mine plan amendment; Priscilla Burton (PWB), Pete Hess (PHH) and Jim Smith (JDS). Comments from our Biologist, Joe Helfrich, will be forthcoming. Feel free to contact them by calling (801) 538-5340.

The plans as submitted are denied. Please submit a complete application.

If you have any questions, please call Dave Darby at (801) 538-5320 or me at (801) 538-5262.

Sincerely,

James D. Smith
Permit Supervisor

JDS/DD/sqs
Enclosure
cc: Price Field Office
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DEFICIENCIES – SUMMARY, Task 3351:

R645-301-121.200, -150, The Permittee must provide Figures 1, 2, 3, 4, 4a, 7, and 8 in Appendix 7-4, in both the electronic and paper copies. [JDS]

The Permittee should either provide Figures 5 and 6 or list them as “Removed” in the appropriate Table of Contents of Appendix 7-4 (approximately page 41). [JDS]

The Permittee must list Figures 7 and 8 in the appropriate Table of Contents of Appendix 7-4 (approximately page 55). [JDS]

R645-301-121.200 and -512.210, and -512.220, Plate 2-4 illustrated the location of rock slope waste and refuse, but this map has been deleted. Plate 2-3 does not show the locations of refuse storage and rock fill storage although these are indicated in the legend. [PWB]

R645-301-122, Please provide Appendix A Drawings for the Wastewater Disposal System report dated February 2009 provided with the application. [PWB]

R645-301-142 and R645-301-234.230, Cryptogams salvaged in December 2007 have been stored in open buckets in a cool, dark location, for use on the topsoil stockpiles. These cryptogams should be dispersed on the finished (north) side of the topsoil pile during the fall 2009 as described in the MRP Section 234.230 along with the hydromulching and seeding to protect the stockpiled topsoil. This operation must be completed before freezing temperatures limit the use of hydrospray. • The effect of long term storage on the viability of the cryptogams is unknown, so additional buckets should be collected from currently undisturbed areas prior to future soil salvage for the remainder of the topsoil stockpile as described in the MRP Section 232.100. [PWB].

R645-301-232.600, and -512.100, -512.120 and -121.100, The construction is occurring in stages and will continue on through 2010. Since Plate 5-2 Surface Area, Official Disturbed Boundary Map, does not reflect existing, interim site conditions, construction phases should be described in the MRP along with a commitment to provide a map at the completion of each phase of construction, beginning with the current site conditions, that illustrates existing mine facilities, and areas remaining to have topsoil and subsoil salvaged and provides a tally of the currently disturbed and undisturbed acreage within the disturbed area perimeter such that the Permittee and Division inspectors have a clear understanding of future topsoil and subsoil salvage requirements. [PWB].

R645-301-251, The Permittee has opted to preserve 8.7 acres of undisturbed landscape within the disturbed area perimeter. By the statements made in response to Task

3017, UEI accepts responsibility and potential consequences of this decision. Without delay, the undisturbed islands described in this application should be marked with signs (as described in the MRP Section 231.100) and protected by a 20 ft buffer zone (MRP, Section 234.220); the undisturbed islands should be protected with rock barriers (at the 20 ft buffer zone location) and incidental rock distribution (as shown on Plate 5-2). [PWB]

R645-301-251 and -301-252, Section 232.500 of the MRP- PART B states that subsoil from 12 – 30 inches from cut areas will be used as fill material during operations. This has been occurring. However it is not being placed where it can be recovered. It forms the base of the coal storage and warehouse pads. This preferred subsoil has not been mapped and is lost in the fill. The plan should describe sampling and testing of graded subsoil materials prior to final topsoil application. Sampling should follow protocol described in the Division Guidelines for Topsoil and Overburden and analysis for parameters described in Tables 3 and 7 of the Guidelines. [PWB]

R645-301-512.200, Impoundments Identified on Surface Facilities Map Pond #2 must be clearly identified within the Mine Facility List, Plate 5-2[PPH].

R645-301-525.420, Measures to Prevent Subsidence, The Permittee must provide additional information relative to escarpment protection, including escarpments to be protected, why each escarpment requires protection, and the engineering methods implemented to provide protection in those specific areas. [PPH]

R645-301-525.440, Description of the Subsidence Monitoring Plan, The subsidence control plan submitted as part of Task ID # 3351 does not meet the requirements of R645-301-525.440 [PPH]

The Permittee must make the following commitments in the subsidence monitoring regime.

Commitment #6 must be revised to state that

“a ground survey of the mine permit area ‘where secondary extraction has occurred over the last year’ will be conducted in conjunction with the quarterly water monitoring program.” Identified features will be monitored until they are repaired, or self-healed. The survey will be conducted on roads, adjacent to stock watering ponds, and in drainage channels where they cross tension areas relative to the underground extraction areas.”

“The results of this survey will be documented quarterly in a written report which provides global positioning co-ordinates as well as the following information;

- a) a description of the identified subsidence related feature,
- b) length, and width measurements, and compass bearing,

- c) dated photographic documentation,
- d) located on a topographic overlay map of the underground disturbed area.
- e) If the feature is determined as significant, the Division will be notified within a 48 hour period.
- f) A written report, compiling the four quarterly reports for the monitoring year, will be submitted as part of the Annual Report required by the Division.
- g) The commitment "to restore the land where subsidence damage has affected the use of the surface" must be revised to read "to restore the land where subsidence damage has been determined as significant enough to require repair, as determined by the Division".

R645-301-536, Coal Mine Waste, The Permittee must clearly state where the coal mine waste generated by the screening plant at Lila Canyon will see final deposition. The material must be disposed of at a R645 permitted site, either within the C/007/013 permit area, or within an off-site area approved by the Division for that purpose. [PPH]

R6435-301-536.500, The Permittee needs to document:

- that the Wildcat Loadout is willing to accept the Lila waste,
- that the Wildcat Loadout is able to accept the waste; that the Wildcat Loadout refuse pile is adequately designed and of sufficient size to handle and dispose of the additional waste, and
- the sections of the Wildcat Loadout MRP that describe the management and reclamation of the Wildcat refuse pile. [JDS]

The Permittee must show how disposal of refuse at ECDC will satisfy the Coal Mining Rules. It must be added that even if the Permittee provides this information, whether or not the Division has the regulatory authority to allow such a variation from the Coal Mining Rules is still open to question. [JDS]

R6435-301-536.600, -553; 830.130, -830.200, The Permittee needs to update the Mass Balance volumes in Table 1 of Appendix 5-4 using the cross sections on updated Plates 5-7A, -7B, and -7C. The Permittee must provide information on the removal or reclamation of the rock-slope underground development waste refuse pile. [JDS]

R645-301-553.350, The application alternately describes off-site disposal of all acid- or toxic-forming mine waste (Section 553.200 and 553.300 and App. 5-7, p.1) or transport to the Wildcat Loadout refuse pile (Section 528.300) or burial in a disposal area (Section 536) according to the plan provided in App. 5-7. Transfer to the Wildcat loadout would require an amendment to the Wildcat plan that currently describes adequate cover for existing site requirements. [PWB]

R645-301-731.300, Appendix 5-7 states that there are no acid or toxic forming wastes at the site. The information provided to date from rock sampling indicates otherwise and this statement should be removed from Appendix 5-7, p. 1. [PWB]

R645-301-742.300, The Permittee must clarify the following information on diversions:

- Table 6 (Appendix 7-4) does not show undisturbed area UA-5 reporting to any structure other than UC-1. Plate 7-5 does not show a ditch that can collect the runoff from UA-5 and carry it to UC-1. The Permittee needs to design a ditch to carry the undisturbed runoff from UA-5 to UC-1, include the calculation sheets and design information, and show the diversion on appropriate plates.
- Plate 7-5 shows DD-20 receiving flow from DC-8 and DD-8b then crossing the east side of disturbed area DA-8c, continuing southwest across adjacent undisturbed UA-5, and then along the down-slope edge of UA-5 to Sedimentation Pond #1; as shown, DD-20 would intercept most of the runoff from UA-5 and carry it to Sedimentation Pond #1 rather than to UC-1. According to Plate 7-5 and Table 6, culvert DC-8 reports to both DD-8c and DD-20, but Table 6 shows DD-8b reports only to DD-8c. DD-20 as shown on Plate 7-5 and described in Table 6 is not only not needed, but carries undisturbed drainage from UA-5 to Sedimentation Pond #1. The Permittee needs to redesign DD-20 or remove it from the plan. [JDS]

R645-301-830.140, Detailed Estimated Cost, The Permittee must provide detailed cost estimates to remove the following buried underground utilities [PPH];

- 1) AC power transmission lines / conduits;
- 2) the sewage leach field;
- 3) all other buried pipelines.

The direct (demolition) and indirect costs for this site must be adjusted accordingly and resubmitted to the Division.

- Runoff from UA-5 and carry it to UC-1. The Permittee needs to design a ditch to carry the undisturbed runoff from UA-5 to UC-1, include the calculation sheets and design information, and show the diversion on appropriate plates.
- Plate 7-5 shows DD-20 receiving flow from DC-8 and DD-8b then crossing the east side of disturbed area DA-8c, continuing southwest across adjacent undisturbed UA-5, and then along the down-slope edge of UA-5 to Sedimentation Pond #1; as shown, DD-20 would intercept most of the runoff from UA-5 and carry it to Sedimentation Pond #1 rather than to UC-1. According to Plate 7-5 and Table 6, culvert DC-8 reports to both DD-8c and DD-20, but Table 6 shows DD-8b reports only to DD-8c. DD-20 as shown on Plate 7-5 and described in Table 6 is not only not needed, but carries undisturbed drainage from UA-5 to Sedimentation Pond #1. The Permittee needs to redesign DD-20 or remove it from the plan.