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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 27, 2017

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

Subject: Removal of IPA #3, UtahAmerican Energy, Inc., Horse Canyon Mine,
C/007/0013, Task #5513

Dear Ms. Madsen:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070013
TaskID: 5513
Mine Name: HORSE CANYON MINE
Title: REMOVAL OF IPA #3

Environmental Resource Information

Hydro GroundWater Monitoring Plan

Analysis:

aumarva

Operation Plan

Hydrologic General

Analysis:

The amendment does not meet the State of Utah R645 requirements for Hydrology General.

The Permittee must update the language in 731.200 to reflect the current monitoring plan. The Permittee must ensure the correct number of sampling sites is referenced and all sites known to active or abandoned are consistent within the narrative and Table 7-3, i.e. L-12-G and L-20-G.

Deficiencies Details:

The amendment does not meet the State of Utah R645 requirements for Hydrology- General. The following deficiency must be addressed prior to final approval:

R645-301-121.200: The amendment narrative must be clear and concise to reflect the current monitoring plan outlined in Table 7-3. The Permittee must update the narrative in 731.200 to ensure the number of groundwater sampling locations is corrected cited, as well as, active and abandoned site status are correctly cited i.e. L-12-G and L-20-G.

aumarva

Hydrologic Ground Water Monitoring

Analysis:

The amendment does not meet the State of Utah R645 requirements for Groundwater Monitoring.

The Permittee has updated the Groundwater Monitoring plan presented in Table 7-3 to indicate the suspension of water monitoring at IPA #3, and to indicate the well has been sealed in Fall 2017. This change to the monitoring plan is consistent with language in the MRP for monitoring of IPA #3 to continue until mining renders them unusable. Mine plan projections provided by the Permittee indicate IPA #3 to be intersected by mining in early 2018.

The well is screened below the coal seam in the Sunnyside Sandstone member of the Blackhawk Formation, Mesaverde Group. On page 13 of Volume 6, Chapter 7, this unit though saturated does not meet the R645-100-200 rules to be classified as an aquifer. The water in the Sunnyside Sandstone saturated unit is not developed for a specific use nor does the strata transmit sufficient water to supply water sources. In addition, there is no discharge from this unit along faults, fractures, or adjacent canyons. The CHIA finds that strata in the Mesaverde group has very slow movement with no discharge occurring anywhere in the cumulative impact area. However, monitoring of water levels in the Sunnyside Sandstone will henceforth continue with the use of IPA #1 and IPA#2. IPA #2 is located within the mains and will be in place to monitor water levels without potential to be intersected by mining at a future date. Due to the unlikely diminution or interruption of State-appropriated water in the permit or adjacent areas based on these assessment, sealing of IPA #3 is appropriate. The two IPA wells to remain will allow for continued monitoring of the Sunnyside Sandstone for R645-301-724.100.

The Monitoring Plan has been changed for L-18-S. The site has gone from permanently suspended to temporarily suspended. Redline strikout and narrative for this change have not been submitted.

Deficiencies Details:

The amendment does not meet the State of Utah R645 requirements for Groundwater Monitoring. The following deficiency must be addressed prior to final approval:

R645-301-121.200: The current version of the amendment changes Table 7-3. The site L-18-S changes from "Sampling Permanantly Suspended 1Qtr of 2011" in the MRP incorporated May 2015 to "Sampling Temporarily Suspended 3Qtr 2011." This change does not have a redline strike out or an accompanying narrative. Please provide clarification and narrative for this change.

aumarva

Maps Monitoring and Sampling Locations

Analysis:

The amendement does not meet the State of Utah R645 requirements for Maps- Monitoring and Sampling Locations.

The amendment is presented to remove IPA #3 from monitoring. The Permittee does not provide updated maps to indicate the removal of IPA #3.

Plate 7-4 is not up-to-date and the monitoring locations marked as Suspended or Active do not match the operational monitoring plan outlined in Table 7-3 of the MRP. The Permittee must update Plate 7-4 to accurately portray active, permanently suspended, and temporarily suspended sites.

Plate 7-1 does not include all monitoring locations and must be updated will all active monitoring sites, namely L-11-G and L-12-G.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Maps- Monitoring and Sampling Locaitons. The following deficiency must be addressed prior to final approval:

R645-731-730; 121.200: The Permittee must update Plate 7-4 to show active, permanently suspended, and temporarily suspended water monitoring sites as indicated by the current Operatonal Monitoring Plan. For instance, IPA # 3 will act as a suspended site, however, IPA #1 and IPA #2 should be identified as active unless an explanation is provided. Plate 7-1 must also be updated to include sites L-11-G and L-12-G.

aumarva

Reclamation Plan

Hydrological Information Reclamation Plan

Analysis:

The amendment does not meet the State of Utah R645 requirments for Hydrological Information Reclamation Plan.

The permittee proposes to seal well IPA #3 prior to interception by mining in early 2018. The Permittee plans to reclaim this mine according to DOGM Performance Standards as cited on Page 90 of Volume 6, Chapter 7, Hydrology. More details must be provided on how the well will be sealed, including that the permanent closure of the monitoring well to be in accordance with the requirements of "Administrative Rules for Water Well Drillers", State of Utah, Division of Water Rights. See West Ridge Permit for example of required information.

Deficiencies Details:

The amendment does not meet the State of Utah R645 requirements for Hydrological Information Reclamation Plan. The following deficiency must be addressed prior to final approval:

R645-301-765, -748,: The permanent closure of the monitoring well must include specifics on how well will be sealed to ensure compliance. Also, the Permittee must follow the Administrative Rules for Water Well Drillers, State of Utah, Division of Water Rights for casing and sealing wells.

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