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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Green River District
Price Field Office
125 South 600 West
Price, UT 84501
<http://www.blm.gov/utah>

RECEIVED

JUN 22 2018

DIV. OF OIL, GAS & MINING

In Reply Refer to:
3482(UTG023)
SL-066490

JUN 19 2018

CERTIFIED MAIL-Return Receipt Requested
No. 7015 3010 0001 7986 0763

Mr. Matthew Efaw
General Manager – Lila Canyon Mine
UtahAmerican Energy, Inc.
794 North “C” Canyon Road
East Carbon, Utah 84520

Re: Equipment Abandonment – Lila Canyon Mine

Dear Mr. Efaw:

On May 30, 2018, the Bureau of Land Management (BLM) received a request from UtahAmerican Energy, Inc. (UEI), operator of the Lila Canyon Mine, for approval to seal in longwall equipment in the recovery room for Panel #6. The abandoned equipment consists of 106 longwall shields to be left during the longwall move from Panel #6 to Panel #7 on Federal coal lease SL- 066490. The mine plans to construct seals that will seal off the #4 through #7 longwall panel gobs. The shields would remain behind the seals.

Background:

UEI requested authorization to leave the longwall shields in place at the end of Panel #6 in the recovery face. The shields have exceeded their technical and economic production life and are of no further value for production requirements. The valve control banks will be the only components recovered from the shields.

Removing the obsolete shields would be uneconomical due to the recovery and rebuild costs (the shields cannot be sufficiently upgraded). UEI has provided certification, which the BLM has verified by in-mine inspections, that all but the emulsion oil fluids have been properly removed. The emulsion fluids will also be properly removed and a certification provided along with notification to BLM for a timely inspection. Further, past evaluations have shown that no adverse environmental effects would occur by leaving the longwall shields underground (composed primarily of steel compounds). Therefore, our concurrence to leave the longwall shields underground is based on the agreement with the operator statement of negative economic factors and obsolete equipment, and BLM’s finding that this action would have no adverse environmental effects.

On June 5, 2018, the BLM forwarded UEI's request to the DOGM for their review. The agency concurred by letter dated June 11, 2018, with no objections. UEI will comply with all requirements outlined in their letter.

Purpose:

Recovery of the referenced longwall shields would have negative economic costs to remove obsolete longwall shields. Due to the complex metallurgy of the steels, the shields have no scrap value. There are no hazardous materials associated with them.

Approval:

Due to the commitment by the mine to properly drain and remove the emulsion oil from the shields, the BLM has determined that allowing the shields to be left underground is in compliance with the lease terms and conditions and CERCLA requirements.

Please notify this office once the final longwall location has been completed, identifying the exact location of where the shields are left. If you have any questions or concerns, please contact Steve Falk at (435) 636-3605.

Sincerely,

A handwritten signature in blue ink that reads "Chris Conrad". The signature is fluid and cursive, with the first name "Chris" and last name "Conrad" clearly distinguishable.

Chris Conrad
Field Manager

Enclosure

Shield Location Map
DOGM Letter

cc: BLM State Office (UT-923)

Green River District Office

Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801



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JUN 22 2018

June 11, 2018

DIV. OF OIL, GAS & MINING

Mr. Steven Rigby, Assistant Field Manager
Bureau of Land Management
125 South 600 West
Price, Utah 84501

Subject: Consultation on Abandonment of Longwall Shields, Utah American Energy Inc,
Horse Canyon Mine, C007/0013

Dear Mr. Rigby:

This letter is in response to your June 5, 2018 email, wherein you asked for the Division's recommendation regarding the abandonment of the Longwall Shields at the Lila Canyon/Horse Canyon mine. Abandonment of mining equipment is allowed by Utah Rules if it is done in accordance with the R645- 542.740 rules. The proposed abandonment will be in an area that will not affect stability of the surface facilities or cause issues with vegetation at the surface of the mine. Groundwater is not expected to be affected as the coal seam dips to the North East. The emulsion oil will be removed from the shields as much as possible. The abandonment of steel underground should not present any contamination issues.

The Division's only requirement at this point is that the Company provide an amendment to the approved Mining and Reclamation Plan describing the abandonment of the equipment, with a description of the equipment being abandoned and including a map that shows its final location.

Thank you for the opportunity to provide our input to this action. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/ss

cc: Justin Eatchel, DOGM
Andrew Rowell, UEI

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