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State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 27, 2004

Chris Hansen, Environmental Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Re: Five-Year Permit Renewal - Reclamation Only, Mountain Coal Company, LLC, Gordon Creek #2, #7 and #8 Mines, C/007/0016, Task ID # 1917, Outgoing File

Chris

Dear Mr. Hansen:

The permit renewal for the Gordon Creek #2, #7 and #8 Mine is approved, effective August 27, 2004. Enclosed are two (2) copies of the renewed permanent program mining and reclamation permit. Please read the permit to be sure you understand the requirements of the permit, then have both copies signed by the appropriate Mountain Coal Company, LLC representative and return one to the Division.

If you have any questions, please call me or Pamela Grubaugh-Littig.

Sincerely,

Lowell P. Braxton
Lowell P. Braxton
Director

Enclosures

cc: James Fulton, OSM, WRCC
PFO

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File in:

- Confidential
- Shelf
- Expandable

Refer to Record No. *0017* Date *08272004*
In C *0070016.2004 Outgoing*
For additional information

**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL**

Mountain Coal Company, LLC.
Gordon Creek #2, #7, and #8 Mine
C/007/0016
Carbon County, Utah

August 27, 2004

CONTENTS

- * Administrative Overview
- * Permitting Chronology
- * Findings
- * Permit
- * Publication Notice
- * AVS Recommendation, memo dated August 26, 2004

ADMINISTRATIVE OVERVIEW

Mountain Coal Company, LLC
Gordon Creek #2, #7 and #8 Mine
Five-Year Permit Renewal
C/007/0016
Carbon County, Utah

August 27, 2004

BACKGROUND

The Gordon Creek #2, #7 and #8 Mine is located approximately 20 miles northwest of Price, Utah. The initial permanent program permit was issued to Beaver Creek Coal Company on August 27, 1984 and was subsequently renewed on August 28, 1989. This mine was transferred from Beaver Creek Coal Company in 1991 to Mountain Coal Company, LLC and the permit was renewed on August 28, 1994 and August 28, 1999.

The mine permanently closed in 1990. Reclamation started in 1995 and continued through November 26, 1998. The permit area was reduced from 2286 acres to 180 acres in 2001 due to the termination of federal leases. Phase I bond release was approved on October 9, 2003. Phase III bond release at the Sweet's Pond was also approved on October 9, 2003.

PERMIT RENEWAL

The application for permit renewal was submitted on April 22, 2004, at least 120 days prior to the date of permit renewal. This renewal application was determined administratively complete on May 19, 2004. Public notice for this permit renewal was published in the Sun Advocate on June 1, 8, 15 and 22, 2004.

ANALYSIS

The permit renewal application was received at least 120 days prior to permit renewal. All notices were published as required. No comments were received.

RECOMMENDATION

Approval for this permit renewal is recommended with one condition concerning the electronic submittal of water quality data.

PERMITTING CHRONOLOGY

Mountain Coal Company, LLC
Gordon Creek #2, #7 and #8 Mine
Permit Renewal
C/007/0016
Carbon County, Utah

August 27, 2004

April 22, 2004	Mountain Coal Company, LLC submitted the permit renewal application.
May 19, 2004	Determination of Administrative Completeness of permit renewal application. Permit renewal completeness determination sent to applicable state, federal, and county agencies with a note that comments must be received by June 30, 2004.
June 1, 8, 15 and 22, 2004	Public notice for permit renewal for the Savage Coal Terminal published in the <u>Sun Advocate</u> .
July 22, 2004	No comments.
August 27, 2004	Gordon Creek #2, #7 and #8 Mine permit is renewed.

PERMIT RENEWAL FINDINGS

Mountain Coal Company, LLC
Gordon Creek #2, #7 and #8 Mines
C/007/0016
Carbon County, Utah

August 27, 2004

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110).
3. The reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. (R645-303-233.130).
5. The operator has provided evidence of maintaining liability insurance in full effect (Federal Insurance Company, Policy #3711-00-10) (R645-303-233.140).
6. The operator has a reclamation surety on file with the Division and has provided evidence that the surety will remain in full effect. (St. Paul Fire and Marine Insurance Company - #400KB056-CO in the amount of \$641,443) (R645-303-233.150).

Permit Supervisor

Permit Supervisor

Associate Director of Mining

Director