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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

February 1, 2012

Outgoing
C0070016
#3981
R

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

Subject: Completion of Midterm Review, Task ID #3981, Canyon Fuel Company, LLC, Gordon Creek 2, 7 & 8 Mine, Permit C/007/0016

Dear Mr. Hansen:

On December 1, 2011, Canyon Fuel Company, LLC was informed that the Division of Oil, Gas and Mining (the Division) had commenced a midterm permit review for the Gordon Creek 2, 7, & 8 Mine. The following items were reviewed:

- A. Review of the Plan to ensure that the requirements of all permit conditions, division orders, notice of violation (NOV), abatement plans, and permittee-initiated Plan changes approved subsequent to permit approval or renewal (whichever is the most recent) are appropriately incorporated into the Plan document.
- B. Ensure that the Plan has been updated to reflect changes in the Utah Coal Regulatory Program which have occurred subsequent to permit approval or renewal.
- C. Review applicable portions of the permit to ensure that the Plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
- D. Evaluate the compliance status of the permit to ensure that all unabated enforcement actions comport with current regulations for abatement; verify the status of all finalized penalties levied subsequent to permit issuance or permit renewal, and verify that there are no demonstrated patterns of violation (POV). This will include an AVS check to ensure that Ownership and Control information is current and correct.
- E. Evaluate the reclamation bond to ensure that coverage adequately addresses permit changes approved subsequent to permit approval or renewal, and to ensure that the bond amount is appropriately escalated in current-year dollars.
- F. Evaluate the permit for compliance with variances or special permit conditions.



G. Optional for active mines, mandatory for reclamation only sites: conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness for operational, reclamation, and contemporaneous reclamation practices undertaken on predetermined portions of the disturbed area to minimize, to the extent practicable, the contribution of acid or toxic materials to surface or groundwater, and to otherwise prevent water pollution.

The midterm review has now been completed and will now be closed; however, the Division has identified deficiencies that must be addressed. The deficiencies have been included with this letter (See Attached). The name of the author for each of the respective deficiencies has been provided.

Your response to these deficiencies will need to be submitted as an amendment to your MRP and will be processed as a separate task. Please submit the required amendment with the accompanying C1 and C2 forms by no later than March 2, 2012.

If you have any questions regarding these requirements or the Midterm Review process, please don't hesitate to call me at 801-538-5350 or Joe Helfrich at 801-538-5290.

Sincerely,



Steve Christensen
Permit Supervisor

Deficiency List
Task No. 3981
Midterm Permit Review

The members of the review team include the following individuals:

Angela Nance [AN]

R645-301-112.330[AN]:

Mountain Coal Company

1. The MRP shows only *E.E. DiClaudio* as an officer (President and Director) of Mountain Coal Company. Whereas, the AVS shows the following officers:
 - *Charles Steele, Vice President (Begin Date 5/23/03)*
 - *John Eaves, Director (Begin Date 2/21/05)*
 - *Paul Lang, Director*
 - *James Florczak, Treasurer and Vice President (Begin Date 7/08/99)*
 - *Jolene Mermis, Assistant Secretary (Begin Date 7/01/04)*
 - *Jon Ploetz, Secretary (Begin Date 2/15/10)*

Please update the MRP to include the information that is found in AVS, or provide a Secretary's Certificate to correct the AVS with the information found in the MRP.

Atlantic Richfield Co.

1. The MRP shows the following officers which are not in AVS:
 - *C.A. Youngs, Vice President and Director*
 - *R.D. Pick, Vice President*
 - *M.W. DeGenring, Vice President and Director*
 - *M.C. Recchuite, Treasurer*
 - *H.L. Edwards, Vice President and Secretary*
 - *S.R. Mut, Chairman and Director (he is listed in AVS, but as a Senior Vice President)*
 - *C.P. Cooley, Assistant Treasurer*
 - *K.R. Collard, Assistant Secretary*
 - *B.M. Hinds, Assistant Secretary*
 - *G.D. Luttrell, Assistant Secretary*
2. The AVS shows the following officers which are not in the MRP:
 - *Mike Bowlin, Chairman of the Board and CEO (Begin Date 7/01/95, 5/06/96)*
 - *Henry Wendt, Director (Begin Date 12/01/87)*
 - *Harrell Bilhartz Jr., Senior Vice President (Begin Date 7/23/96)*
 - *Marie Knowles, CFO, Director and Executive Vice President (Begin Date 7/22/96)*

- *Lodwrick Cook, Director (6/23/80)*
- *John Gavin, Director (2/01/89)*
- *Hanna Gray, Director (6/28/82)*
- *William Wade, Jr., Director, Executive Vice President, President (Begin Date 6/28/93, 6/01/93, 1/26/98)*
- *Mark Hazelwood, Senior Vice President (Begin Date 7/28/97)*
- *Patricia Boinski, Assistant Secretary (Begin Date 5/06/89)*
- *Patrick Brophy, Assistant Secretary (Begin Date 5/06/86)*
- *James Coffee, Assistant Secretary (Begin Date 5/07/85)*
- *Thomas Linn, Assistant Secretary (Begin Date 5/06/86)*
- *Ronald Macdonald, Assistant Secretary (Begin Date 5/05/87)*
- *Richard Morse, Assistant Secretary (Begin Date 5/07/85)*
- *Paul Richmond, Assistant Secretary (Begin Date 5/07/85)*
- *Thomas Roantree III, Assistant Secretary (Begin Date 5/01/89)*
- *Diane Ward, Assistant Secretary (Begin Date 5/06/86)*
- *Bruce Whitmore, Secretary, Senior Vice President (Begin Date 1/01/95)*
- *Patrick Ellingsworth, Corporate Officer and Vice President (Begin Date 5/01/89, 11/24/97)*
- *Allen Holmes, Vice President (Begin Date 3/25/91)*
- *Anthony Fernandes, Director and Executive Vice President (Begin Date 9/26/94)*
- *Terry Dallas, Senior Vice President, Treasurer (Begin Date 11/19/96, 1/24/94)*
- *Frank Boren, Director (Begin Date 7/23/90)*
- *John Slaughter, Director (Begin Date 12/18/89)*
- *Beverly Hamilton, Vice President (Begin Date 2/25/91)*
- *Michael Wiley, Director and Executive Vice President (Begin Date 6/23/97, 3/31/97)*
- *Robert Mcmanus, Corporate Officer (Begin Date 5/04/92)*
- *Daniel Rolf, Assistant Secretary (Begin Date 6/22/92)*
- *Allan Comstock, Controller and Vice President (Begin Date 6/01/93)*
- *John Kelly, Senior Vice President (Begin Date 1/27/97)*
- *J. Thompson, Executive Vice President and Senior Vice President (Begin Date 1/26/98, 6/27/94)*
- *Stephen Mut, Senior Vice President (Begin Date 9/26/94)*
- *Kent Kresa, Director (Begin Date 11/01/93)*
- *George Davis, Assistant Treasurer (Begin Date 2/06/95)*
- *David McLaughlin, Director (Begin Date 2/22/93)*
- *W. Jones, Assistant Secretary (Begin Date 5/02/94)*
- *John Lucas, Jr., Assistant Secretary (Begin Date 5/03/93)*
- *Stephen Molina, Assistant Secretary (Begin Date 5/06/93)*
- *Ronald Redcay, Assistant Secretary (Begin Date 5/03/93)*
- *John Cheatham, Senior Vice President (Begin Date 11/20/95)*
- *Robert Pine, Controller (Begin Date 1/28/91)*
- *Ronald Williams, Corporate Officer (Begin Date 5/05/91)*
- *E. Cantu, Assistant Secretary (Begin Date 5/06/96)*
- *Susan Liebson, Assistant Secretary (Begin Date 5/06/96)*

- *David Marquez, Assistant Secretary (Begin Date 5/06/96)*
- *Karen Monroe, Assistant Secretary (Begin Date 5/06/96)*
- *Eric Sigsbey, Assistant Secretary (Begin Date 5/06/96)*
- *Antoinette Tadolini, Assistant Secretary (Begin Date 5/06/96)*
- *Barbara Bartoletti, Secretary (Begin Date 12/19/97)*
- *Donald Voelte, Senior Vice President (Begin Date 4/01/97)*
- *Robert Healy, Vice President (Begin Date 11/19/96)*
- *Ian Chate, Assistant Secretary (Begin Date 5/05/97)*
- *June Rose, Assistant Secretary (Begin Date 5/05/97)*
- *Mark Friedman, Assistant Secretary (Begin Date 11/01/97)*
- *Gary Tooker, Director (Begin Date 1/26/98)*
- *Denise Ramos, Assistant Treasurer (2/23/98)*
- *Donald Davis, Vice President (Begin Date 2/23/98)*
- *Roger Truitt, Senior Vice President (Begin Date 11/24/97)*
- *Dodd De Camp, Vice President (Begin Date 6/23/97)*
- *John Slater, Senior Vice President (Begin Date 7/28/97)*

Please update the MRP to include the information that is found in AVS, or provide a Secretary's Certificate to correct the AVS with the information found in the MRP. [AN]

Arch Western Bituminous Group LLC

1. AVS is showing a link between Arch Western Bituminous Group LLC and Mountain Coal Company LLC, yet this information is not in the MRP. Please update the MRP to include the ownership and control information for Arch Western Bituminous Group LLC or provide a Secretary's Certificate to end the relationship in AVS. [AN]