



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 7, 2014

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

Subject: Five Year Permit Renewal, Gordon Creek Mine #2, #7 & #8, Canyon Fuel Company, LLC, C/007/0016, Task ID #4585

Dear Mr. Hansen:

The permit renewal for the Gordon Creek #2, #7 & #8 Mine is approved effective August 28, 2014. Enclosed are two (2) copies of the renewed permanent program permit. Please note the special condition attached.

Please have both permits signed by the designated signatory authority and return one signed copy to the Division.

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

Sincerely,

John R. Baza
Director

JRB/DRH/sqs
Enclosures
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**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**

July 7, 2014

CONTENTS

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ADMINISTRATIVE OVERVIEW

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

July 7, 2014

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, August 28, 1999, August 28, 2004 and again on August 28, 2009.

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. Phase II Bond Release was approved in March 2007 and the sediment ponds were removed and reclaimed in October 2007. The Gordon Creek #2, #7 & #8 permit was transferred from Mountain Coal Company, LLC to Canyon Fuel Company LLC on September 11, 2013.

PERMIT RENEWAL

The application for permit renewal was submitted on April 30, 2014, at least 120 days prior to the date of permit renewal. The renewal encompasses the same area approved in the last renewal and authorizes reclamation only. This renewal application was determined administratively completed on May 6, 2014. Public notice for the permit renewal was published in the Sun Advocate on May 15, 22, 29 and June 5, 2014.

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
C/007/0016
Carbon County, Utah

July 7, 2014

April 30, 2014	Canyon Fuel Company, LLC submitted the permit renewal application.
May 6, 2014	Permit renewal application determined administratively complete.
May 7, 2014	Letter from Division to federal, state and local agencies to notify them about the permit renewal for the Gordon Creek #2, #7 and #8 Mine.
May 15, 22, 29 and June 5, 2014	Publication notice for permit renewal for the Gordon Creek #2, #7 and #8 Mine published in the <u>Sun Advocate</u> .
July 7, 2014	No comments received.
July 7, 2014	Permit renewed effective August 28, 2014.

PERMIT RENEWAL FINDINGS

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

July 7, 2014

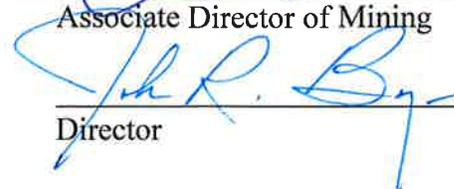
1. The permit renewal term will not exceed the original permit term of five years. (R645-303-324).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110).
3. The reclamation operations are in compliance with the environmental protection standards of the Act and the Utah 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. (R645-303-233.130).
5. The permittee has provided evidence of maintaining liability insurance (National Union Fire Insurance Company #GL6576428) (R645-303-233.140).
6. The permittee has posted a reclamation surety in the required amount and has provided evidence that the surety will remain in full effect for the permit period. (Lexon Insurance Company and Ironshore Indemnity Inc. #1093382 in the amount of \$171,000). (R645-303-233.150).



Permit Supervisor



Associate Director of Mining



Director

FEDERAL

**PERMIT
C/007/0016**

August 28, 2014

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
(801) 538-5340**

This permit, C/007/0016, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOG M) to:

**Canyon Fuel Company, LLC
225 North 5th Street, Suite 900
Grand Junction, CO 81501**

for the Gordon Creek #2, #7 and #8 Mines. A performance bond is filed with the DOGM in the amount of \$171,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining. DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1: STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2: PERMIT AREA - The permittee is authorized to conduct reclamation operations on following described lands within the permit area at the Gordon Creek #2, #7 and #8 Mines situated in the state of Utah, Carbon County, and located:

Township 13 South, Range 8 East, SLBM

Section 18: N1/2SE1/4, N1/2SW1/4SE1/4, S1/2NE1/4SW1/4, SE1/4SW1/4, SE1/4SW1/4SW1/4.

This legal description is for the permit area of the Gordon Creek #2, #7 and #8 Mines. The permittee is authorized to conduct reclamation activities on the foregoing described property subject to all applicable conditions, laws and regulations.

Sec. 3: COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4: PERMIT TERM - This permit expires on August 27, 2019.

Sec. 5: ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.

Sec. 6: RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- A. Have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
- B. Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 7: SCOPE OF OPERATIONS - The permittee shall conduct reclamation activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 8: ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

- A. Any accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
- B. Immediate implementation of measures necessary to comply; and
- C. Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9: DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec.10: CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec.11: EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec.12: AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec.13: COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec.14: PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec.15: CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

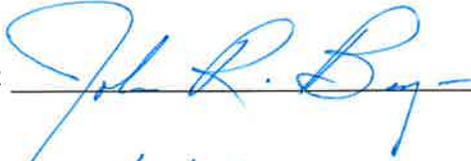
Sec.16: APPEALS - The permittee shall have the right to appeal as provided for under R645-300.

Sec.17: SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases and this permit, the permittee shall comply with the special conditions appended hereto as Attachment A.

The above conditions (Secs. 1-1) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease.

The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: 
Date: 7/16/14

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

SPECIAL CONDITIONS

- 1) Mountain Coal Company, LLC must submit water quality data for the Gordon Creek #2, #7 and #8 Mine in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 15th day of May, 2014, and that the last publication of such notice was in the issue of such newspaper dated the 5th day of June 2014.



Richard Shaw – Publisher

Subscribed and sworn to before me this 5th day of June, 2014.



Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, \$ 201.60

NOTICE OF PERMIT RENEWAL APPLICATION

Canyon Fuel Company, LLC, 225 N. 5th Street, Suite 900, Grand Junction, Colorado 81501, has submitted for approval a five-year permit renewal application for the Gordon Creek No. 2, 7 and 8 Mines, which are located in the Bryner Canyon area of Carbon County, Utah. The permit area is described as follows: Township 13 South, Range 8 East, SLBM, Utah. Section 17: SE4SW4SW4. Section 18: N2SE4, N2SW4SE4, S2NE4SW4, SE4SW4, SE4SW4SW4. The Gordon Creek No. 2, 7 and 8 Mines are not operating and are in reclamation. Written comments, objections, or a request for an Informal conference on this application for renewal should be directed to Utah Coal Program, Division of Oil, Gas and Mining, P.O. Box 145801, Salt Lake City, Utah 84114-5801. Comments must be submitted thirty (30) days from the date of the last publication of this notice. A copy of this application is available for public inspection at the Carbon County Courthouse in Price, Utah and the office of the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate May 15, 22, 29, and June 5, 2014.





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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 30, 2014

TO: Internal File

FROM: Daron R. Haddock, Permit Supervisor 

RE: Compliance Review for Section 510 (c) Findings – Gordon Creek #2, #7 & #8, Canyon Fuel Company, LLC, C/007/0016, Task ID #4585

As of the writing of this memo, there are no NOVS or COs which are not corrected or in the process of being corrected. There are no finalized Civil Penalties, which are outstanding and overdue in the name of Canyon Fuel Company, LLC. Canyon Fuel Company, LLC does not demonstrate a pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The recommendation from the Applicant Violator System (AVS) denotes that all connected entities either do not have any civil penalties or are under a settlement agreement (attached).

O:\007016.GC2\PERMIT\2014\510C.DOC



U.S. Department of the Interior Office of Surface Mining
Applicant/Violator System

suzanne.steab (UT) | Logo

[Click for the Office of Surface Mining Website](#)

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[HOME](#) > ENTITY EVALUATE

Evaluation on Application Number: C0070016 SEQ:6

0 Violations

[Print Report](#)

Application Evaluation

Application Number	C0070016 SEQ:6
Applicant Name	142816 Canyon Fuel Company LLC
Date of Request	6/30/2014 10:46:34 AM
Requestor	suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

There were no violations retrieved by the system

Evaluation OFT

Entities: 9

- 254566 Bowie Resource Holdings, LLC - ()
- 128807 James J Wolff - (Chief Financial Officer)
- 129465 Eugene E Diclaudio - (Chief Operations Officer)
- 142816 Canyon Fuel Company LLC - (Subsidiary Company)
- 128807 James J Wolff - (Chief Financial Officer)
- 129465 Eugene E Diclaudio - (Chief Operations Officer)
- 129465 Eugene E Diclaudio - (Director)
- 129465 Eugene E Diclaudio - (President)
- 153972 Paul Warner - (Vice President)
- 254572 John Siegel - (Chief Executive Officer)
- 254573 Brian Settles - (General Counsel)
- 254573 Brian Settles - (Secretary)
- 254573 Brian Settles - (Vice President)
- 254617 Bruce Lindsay - (Vice President)
- 254618 Grant Quasha - (Vice President)
- 153972 Paul Warner - (Vice President)

- 254572 John Siegel - (Chief Executive Officer)
- 254573 Brian Settles - (General Counsel)
- 254573 Brian Settles - (Secretary)
- 254573 Brian Settles - (Senior Vice President)
- 254617 Bruce Lindsay - (Vice President)
- 254618 Grant Quasha - (Vice President)

Narrative

Request Narrative