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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

June 16, 2017

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

Subject: Midterm Completion Response, Canyon Fuel Company, LLC, Gordon Creek 2, 7 & 8 Mine, C/007/0016, Task #5450

Dear Mr. Hansen:

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 by no later than July 14, 2017.

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

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock  
Coal Program Manager

DRH/sqs

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**Technical Analysis and Findings**  
**Utah Coal Regulatory Program**

**PID:** C0070016  
**TaskID:** 5450  
**Mine Name:** GORDON CREEK 2, 7 & 8 MINES  
**Title:** MIDTERM COMPLETION RESPONSE

**General Contents**

**Identification of Interest**

*Analysis:*

The findings from this section of the midterm review do not meet the State of Utah R645 requirements for Identification of Interest R645-301-112.

The text in General Chapter one, Pages 1-1 and 1-2 and Appendix 1-1 need to be updated to coincide with the current organizational Family Tree (OFT Figure 1-1) and ownership and control (ONC) information in the Applicant Violator System (AVS). They include Galena US Holdings Inc., Cedars Energy LLC and Halos Energy LLC.

The words and etc. found in Chapter one, Page 1-2 Paragraph 3 need to be deleted or clearly explained.

*Deficiencies Details:*

The findings from this section of the midterm review do not meet the State of Utah R645 requirements for Identification of Interest R645-301-112.

The text in General Chapter one, Pages 1-1 and 1-2 and Appendix 1-1 need to be updated to coincide with the current organizational Family Tree (OFT Figure 1-1) and ownership and control (ONC) information in the Applicant Violator System (AVS). They include Galena US Holdings Inc., Cedars Energy LLC and Halos Energy LLC.

The words and etc. found in Chapter one, Page 1-2 Paragraph 3 need to be deleted or clearly explained.

jhelfric

**Violation Information**

*Analysis:*

The findings from this section of the midterm review do not meet the State of Utah R645 requirements for violation information R645-301-113. General Chapter one table 1-2 needs to be updated to coincide with the current violation information in the Applicant Violator System (AVS)

jhelfric

**Legal Description**

*Analysis:*

The MRP meets the State of Utah R645-301-121.120 and/or R645-301-141 requirements for providing a legal description that identifies the land (on a map) subject to coal mining (and reclamation).

The legal description of the permit area provided on page 2-12 was drawn in ArcMap GIS 10.3 and matches the permit boundary shown in Figure 1-2.

The GIS calculates the permit area to be 161 +/- acres and the disturbed area to be 30 +/- acres which are consistent with acreages listed in Section 2.4 (d) (permit area 161 +/-) and Sections 2.6 (disturbed area of 30.14)

Irinhart

## **Reclamation Plan**

### **General Requirements**

*Analysis:*

The current MRP meets the State of Utah R645 requirements for Reclamation Activities. Chapter three, Section 3.1, Page 3-1 has been revised as follows:

Mining is completed at this operation, and all structures have been removed. This text has been deleted except for the hydrologic controls and access roads.

This text has been added. The Sweet's Pond disturbed area has been removed from the permit area after Phase III bond release was granted in October 2003 . Phase II bond release was granted for the entire remaining disturbed areas in March 2007.

Updated bond calculations that were completed in April 2017 and superseded previous bond calculations have been included following page 3-77 of this chapter.

jhelfric

## **PostMining Land Use**

*Analysis:*

The analysis of the midterm review criteria does not meet the State of Utah R645 Requirements for Post Mining Land Use R645-301-413.100

Text changes on page 3-58 of the MRP;

The woody species density of 2000 stems per acre was established through consultation with the permittee's consultant, DOGM and DWR. DWR is the wildlife entity primarily responsible for determining this standard for success. A consensus among these entities is required for any proposed changes to the approved MRP.

Production figures and vegetation monitoring data will need to be current with the application for phase III bond release. The MRP needs to be updated to include a vegetation monitoring regimen that parallels the permittee's application for phase III bond release.

Text changes on page 3-60 of the MRP;

The text on page 3-60 notes that, production will not be measured, since the post-mining land-use is wildlife habitat. This is true for this type of post mining land use, However sections 3.4.1 and 3.5.5.6 also state that the post mining land use is stock grazing that does require production value. 17 years of post reclamation have shown that wildlife utilize the area year around where as stock grazing occurs minimally in the spring and fall when the animals are moving to and from higher elevation grazing areas.

These sections of the MRP need to be clarified not deleted. They were not addressed in the submittal dated 4/27/2017.

*Deficiencies Details:*

The analysis of the midterm review criteria does not meet the State of Utah R645 Requirements for Post Mining Land Use R645-301-413.100

Text changes on page 3-58 of the MRP;

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These sections of the MRP need to be clarified not deleted. They were not addressed in the submittal dated 4/27/2017.

jheltric

## **Revegetation Standards for Success**

*Analysis:*

The analysis of the midterm review criteria meets the State of Utah R645 Requirements for Standards for Success, R645-301-323.

Chapter 3, Page 3-58 has been revised to indicate that Mountain Grassland (also referred to as Mountain Brush/Grassland Community Reference Area will be used as the vegetative standard for success for all reclaimed sites. of the No. 2 Mine will be used as the vegetative standard for success for all sites, including the No.8, No. 7 and No. 2 mine areas, the Sweets Pond area, and the Old Fan Portal area.

The text on page 3-59 and Chapter 9, Page 9-2 note that, In an effort to provide one standard of success for cover, the Mountain Grassland (also referred to as Mountain Brush/Grassland Community Reference Area will be used as the vegetative standard for success for all reclaimed sites. This coincides with the reference areas identified on plate 9-1.

The appropriate sections of the MRP need to be revised to clarify the differences noted in the text.

jheltric

## **Bonding Determination of Amount**

*Analysis:*

The review of Gordon Creek, Midterm Completion Response, Task 5450 is deficient and does not meet the State of Utah R645 requirements for Determination of Bond Amount. The following items need to be included:

1. The cost reference for the Tackifier needs to be provided. Please provide the reference for the \$52.50 per acre, including 3 comparable bids if the cost is from a contractor.
2. An additional amount of 25% of the Reveg. needs to be included for reseeding on the Re-vegetation total page.
3. Please include CLAB, and Foreman cost (labor cost) for all steps of reclamation as needed.

*Deficiencies Details:*

The review of Gordon Creek, Midterm Completion Response, Task 5450 is deficient and does not meet the State of Utah R645 requirements for Determination of Bond Amount.

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2. An additional amount of 25% of the Reveg. needs to be included for reseeding on the Re-vegetation total page.
3. Please include CLAB, and Foreman cost (labor cost) for all steps of reclamation as needed.

**bwiser**