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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

July 6, 1999

CERTIFIED RETURN RECEIPT
P 074 978 530

Richard Pick, President & CEO
Canyon Fuel Company, LLC
6955 Union Park Center, Suite 540
Salt Lake City, Utah 84047

Re: Division Order to Update the PHC with Respect to Abandonment of Machinery, Canyon Fuel Company, LLC, Soldier Canyon Mine, ACT/007/018-DO99A, File #3, Carbon County, Utah

Deck

Dear Mr. Pick:

The Division has completed a review of the Soldier Canyon Mining and Reclamation Plan (MRP) and have found it deficient with respect to updating the PHC in regards to the abandonment of mining machinery. Pursuant to R645-301-212, the Division has prepared the attached order to correct the deficiency.

We would be happy to help you with any questions that may arise. Should you desire further discussion or clarification please call Daron Haddock at (801)538-5325.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lowell P. Braxton'.

Lowell P. Braxton
Director

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Enclosure

cc: Chris Hansen
Rick Olsen
Mary Ann Wright
Daron Haddock
Price Field Office

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**STATE OF UTAH
DIVISION OF OIL, GAS AND MINING**

PERMITTEE

Canyon Fuel Company, LLC

**Richard Pick, President
6955 Union Park Center, Suite 540
Salt Lake City, Utah 84047**

**PERMIT NUMBER ACT/007/018
DIVISION ORDER # 99A**

**ORDER & FINDINGS
OF
PERMIT DEFICIENCY**

PURSUANT to R645-303-212, the DIVISION ORDERS the PERMITTEE, Canyon Fuel Company, to make the requisite permit changes enumerated in the findings of Permit Deficiency in order to be in compliance with the State Coal Program. These findings are to be remedied in accordance with R645-303-220.

FINDINGS OF PERMIT DEFICIENCY

A review of the current Mining and Reclamation Plan and recent correspondence for the Soldier Canyon Mine have identified an activity at the mine that has not been adequately addressed or described in the Mining and Reclamation Plan.

The abandonment of Mining Machinery underground has occurred without providing adequate documentation for this activity. The Division has been notified that various mining machinery has been left underground even though there are no provisions in the approved mining and reclamation plan to do this and there is no analysis in the plan describing the probable hydrologic consequences of this activity.

INFORMATION REQUIRED TO BE SUBMITTED BY REGULATION CITED

R645-301-

728. Probable Hydrologic Consequences (PHC) Determination.

728.100. The permit application will contain a determination of the PHC of the proposed coal mining and reclamation operation upon the quality and quantity of surface and ground water under seasonal flow conditions for the proposed permit and adjacent areas.

728.200. The PHC determination will be based on baseline hydrologic, geologic and other information collected for the permit application and may include data statistically representative of the site.

UNITED STATES POSTAL SERVICE
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SENDER INSTRUCTIONS

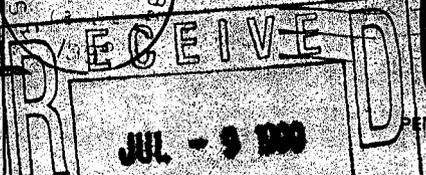
- Print your name, address and ZIP Code in the space below.
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 - Attach to front of article if space permits, otherwise affix to back of article.
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DIVISION OF OIL, GAS & MINING
1594 W NO TEMPLE STE 1210
SLC UT 84114

ATTEN: Tiffani Moss



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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

RICHARD PICK
CANYON FUEL COMPANY
6955 UNION PARK CENTER STE 540
SLC UT 84047

4. Article Number

P 074 978 530

Type of Service:

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED

5. Signature - Address

X *Linda Mortensen*

6. Signature - Agent

X

7. Date of Delivery

7-8-99

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988

U.S.G.P.O. 1988-212-865

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2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends. If space permits, otherwise, affix to back of article. Endorse front of article RETURN RECEIPT REQUESTED adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse RESTRICTED DELIVERY on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
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P 074 978 530

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NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	RICHARD PICK
Street and No.	6955 UNION PARK CENTER STE 540
P.O., State and ZIP Code	SLC UT 84047
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt to whom and address	TO WHOM DELIVERED
Return Receipt showing to whom, date and address of delivery	TO WHOM DELIVERED
TOTAL Postage and Fees	\$ 7.1999
Postmark date	84199

PS Form 3800, June 1998
1998 DOGM 7/7/99 D099A ACT/007/018 #3

- 728.300. *The PHC determination will include findings on:*
- 728.310. *Whether adverse impacts may occur to the hydrologic balance;*
- 728.320. *Whether acid-forming or toxic-forming materials are present that could result in the contamination of surface- or ground-water supplies;*
- 728.330. *What impact the proposed coal mining and reclamation operation will have on:*
- 728.331. *Sediment yield from the disturbed area;*
- 728.332. *Acidity, total suspended and dissolved solids and other important water quality parameters of local impact;*
- 728.333. *Flooding or streamflow alteration;*
- 728.334. *Ground-water and surface-water availability; and*
- 728.335. *Other characteristics as required by the Division;*
- 747.100. *Noncoal mine waste, including but not limited to grease, lubricants, paints, flammable liquids, garbage, machinery, lumber and other combustible materials generated during coal mining and reclamation operations will be placed and stored in a controlled manner in a designated portion of the permit area or state-approved solid waste disposal area.*
- 747.200. *Placement and storage of noncoal mine waste within the permit area will ensure that leachate and surface runoff do not degrade surface or ground water.*
- 747.300. *Final disposal of noncoal mine waste within the permit area will ensure that leachate and drainage does not degrade surface or underground water.*
750. *Performance Standards.*
All coal mining and reclamation operations will be conducted to minimize disturbance to the hydrologic balance within the permit and adjacent areas, to prevent material damage to the hydrologic balance outside the permit area and support approved postmining land uses in accordance with the terms and conditions of the approved permit and the performance standards of R645-301 and R645-302.

— Canyon Fuel Company must provide the following documentation in accordance with the above-cited regulations to be incorporated into the Mining and Reclamation Plan, for the abandonment of Mining Machinery underground:

1. A map designating the final disposal location of the abandoned mining machinery.
2. A description of the equipment or machinery being abandoned and its condition upon abandonment.
3. A revised PHC which discusses the abandonment of the mining machinery and describes the potential for any hydrologic impacts as a result of the abandonment.

ORDER

Canyon Fuel Company is ordered to make the requisite permit submittal, in accordance with R645-303-220 and to submit a complete and adequate application for permit change to address this finding of permit deficiency within 30 days of the date of receipt of this Order.

Ordered this 30th day of June, 1999, by the Division of Oil, Gas, and Mining.

Lowell P Braxton

**Lowell Braxton, Director
Division of Oil, Gas and Mining**