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Canyon Fuel Company, LLC  
Dugout/Soldier Canyon Mines  
P.O. Box 1029  
Wellington, Utah 84542  
(435) 637-6360 Fax: (435) 636-2897

**Fax**

*Incoming  
ACT/007/018  
Copy Daron*

<b>To:</b> Pete Hess	<b>From:</b> Dave Spillman
<b>Fax:</b> 613-5828	<b>Pages:</b> Nine
<b>Phone:</b> 613-5622	<b>Date:</b> June 19, 2000
<b>Re:</b> REI Site	<b>CC:</b> Daron Haddock, Chris Hansen

Urgent     For Review     Please Comment     Please Reply     Please Recycle

● **Comments:** Pete,

I've attached a copy of DOGM's decision letter regarding Soldier Canyon's liability towards the REI compressor site. I've also attached several DOGM inspection memos which discuss the REI question, eventually leading up to the decision letter.

The 4/3/84 inspection memo talks about the installation of a new REI culvert that is "not part of the SCCC area." It also talks about the removal of scrap culvert. What this is referring to is REI's first attempt at a stream crossing culvert. This consisted of four 24" culverts to accept base stream flows. The road constructed over the culverts was ripped and theoretically would be protected when larger flows over topped the 24" culverts. Unfortunately, this design did not work. The amount and size of debris carried by Soldier Creek during thunder storms quickly plugged these culverts and damaged the road. The larger pipe arch culvert was subsequently installed. Only one of the 24" culverts remains today, adjacent to pipe arch.

Please review this information and let me know if I can do anything else to assist with this matter.

Thanks,

Dave

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STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

August 24, 1983

Mr. Tom Paluso  
Soldier Creek Coal Company  
P. O. Box I  
Price, Utah 84501

RE: Resource Enterprises Inc.  
Methane Extraction  
Soldier Canyon Mine  
ACT/007/018  
Folder Nos. 4, 6 & 7  
Carbon County, Utah

Dear Mr. Paluso:

The Division of Oil, Gas and Mining has determined that Soldier Creek Coal Company is not liable for Resource Enterprises, Inc.'s (REI) coalbed methane resource development activities under PL 95-87 for the following reasons:

1. The BLM has granted a right-of-way to REI. Since Soldier Creek has no control over access to public surfaces, it cannot be held liable for actions of other operators who assume the responsibility for surface reclamation under 43 CFR.
2. Although the extraction of methane is incidental to Soldier Creek's coal mining activity, REI has the gas rights and thus cannot be denied access toward obtaining this resource.

I hope this satisfies Soldier Creek's concerns. If you have any additional questions, please call.

Sincerely,

JAMES W. SMITH, JR.  
COORDINATOR OF MINED  
LAND DEVELOPMENT

JWS/TP/jvb

cc: Bruce J. Sakashita, Resource Enterprises, Inc., SLC  
Al Klein, OSM, Denver  
Tom Emmett, OSM, Albuquerque  
R. Daniels, DOGM  
B. Kale, DOGM  
J. Helfrich, DOGM  
T. Portle, DOGM



April 25, 1983



Inspection Memo  
to Coal File:

RE: Soldier Creek Coal Company  
Soldier Canyon Mine  
ACT/007/018  
Folder No. 7  
Carbon County, Utah

DATE: April 13, 1983  
TIME: 9:00 A.M. - 2:00 P.M.  
WEATHER: Cold, Windy  
COMPANY OFFICIALS: Dave Spillman, Chris Allen  
STATE OFFICIAL: Barton Kale  
ENFORCEMENT ACTION: None

Compliance with Permanent Performance Standards

UMC 771 et al Permits

A letter dated January 17, 1979 from Ron Daniels of the Division gives tentative approval for Soldier Creek to mine in accordance with their plan.

A letter dated May 7, 1982 by Calvin Sudweeks, Water Pollution Control Committee gives construction permit to Soldier Creek Coal Company to construct a wastewater system.

UMC 817.11 Signs and Markers

Mine entrance signs were posted as required. Perimeter markers were also noted.

UMC 817.21 - .25 Topsoil

The topsoil stockpile from the new ventilation shaft was viewed and some questions were raised. The pile itself is very well stabilized with straw and jute netting. A rip-rapped drainage runs along the western edge overlapping some of the jute netting. There was some uncertainty as to the boundary of the actual topsoil as the jute netting was being used as erosion control adjacent to the pile. The pile was subsequently viewed by Tom Portle, Reclamation Soils Specialist, and the opinion expressed was that although there are signs at the top and bottom, if signs were placed on the side at the pile boundary that would be sufficient. The straw and netting were deemed sufficient as erosion controls.

## INSPECTION MEMO TO COAL FILE

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May 2, 1983

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UMC 817.41 - .52 Hydrologic Balance

The drainage off the paved parking area was discussed. The last inspector had Soldier Creek rearrange the straw bales such that any runoff leaving the parking area will filter through the bales. It is questionable whether the present number of bales is adequate. Soldier Creek is responsible for any untreated runoff off this area and until the asphalt curb is built, this area should be watched closely.

In a letter written November 29, 1982, the prior inspector John Whitehead requested more information on the ground water monitoring plan. A request was allegedly made to the Division to sample bi-annually rather than annually. This correspondence has not been located at this time and no recorded action has been taken. Soldier Creek is in the process of resubmitting this request. The mine is still responsible for compliance pursuant to the requirements of UMC 817.52 of the regulations.

The ditch that runs along the fence to serve as drainage for the lower mine yard will be upgraded to a half round culvert. This will reduce maintenance to a level of easy management.

Resources Enterprises Incorporated has set up a methane retrieval operation adjacent to the Soldier Canyon mine. They retrieve the gas and sell it independently of Soldier Creek Coal Company, although the gas is produced at the mine. Responsibility to any pertinent regulations is being researched at this time.

UMC 817.52 Surface and Ground Water Monitoring

The NPDES permit was available upon request. Permit number UT-0023680 is dated to expire September 30, 1987. The receiving water is Soldier Creek.

Soldier Creek Coal Company is in the process of applying for a change in their ground water monitoring frequency. More information is in the process of being submitted.

UMC 817.71 - .73 Disposal of Underground Development Waste

A memorandum from Tom Portle, Reclamation Soils Specialist for the Division, dated April 18, 1983 states that the submission for permitting the waste rock area were deficient and that until such time as a permit could be issued it was recommended that the waste be stored underground to abate the violation within the abatement time frame.

UMC 817.97 Protection of Fish, Wildlife and Related Environmental Values

A U. S. Fish and Wildlife survey for power poles hazardous to raptors was conducted between August 24 and August 28, 1981. The results indicated that modifying additional poles would not be required unless future problems became evident.

INSPECTION MEMO TO COAL FILE  
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May 2, 1983  
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UMC 817.111 - .117 Revegetation

The banks of the sewage lagoon were in the process of being seeded, mulched with straw and covered with jute netting. The surrounding disturbed area was also seeded to the road.

BARTON KALE  
FIELD SPECIALIST

BK/lm

cc: Tom Ehmett, OSM  
Dave Spillman, SCCC  
Tom Paluso, SCCC  
Joe Helfrich, DOGM

Statistics:

See Hidden Valley Mine memo dated April 19, 1983.



May 24, 1983

Inspection Memo  
to Coal File:

RE: Soldier Creek Coal Company  
Soldier Canyon Mine  
ACT/007/018  
Folder No. 7  
Carbon County, Utah

A partial inspection was conducted at the above mentioned minesite on May 10, 1983 by Barton Kale of the Division. The inspector was accompanied by Dave Spillman of Soldier Creek Coal Company.

Soldier Creek is in the process of accepting bids on drilling wells to augment their groundwater monitoring. Due to incomplete surface groundwater collection (accessability being the main problem), monitoring of wells is mandated to meet the requirements of the state regulations.

The outslope of the main sediment pond dam has been reenforced with a Corweb mesh to aid in revegetaton and stabilization.

The topsoil pile to the south of the sediment pond (object of question during previous inspection) was found to be improved. A line of straw bales separating the drainage and topsoil, placed over the jute netting, was deemed satisfactory by the technical staff of the Division. Also, topsoil signs were placed at each end. There are no further concerns at this time in this area.

Coal on the outslope of the main highway, the reason for an NAOC earlier this year, will be taken care of this summer according to SCCC personnel. According to a letter from Soldier Creek Coal dated January 11, 1983 a commitment to complete the work by spring of 1983 was given. At this time a date of completion is requested to insure the work is completed within a reasonable amount of time.

The halfround culvert for the main storage yard has been approved and should be installed by the first week in July.

The R. E. Incorporated question is being actively pursued. The responsibility of Soldier Creek Coal Company for compliance on the area used by

INSPECTION MEMO TO COAL FILE

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May 24, 1983

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REI is being presently reasearched and inspection and enforcement will depend on pertinent regulations and precedent setting decisions with similar cases within the recent past. It is recommended that Soldier Creek Coal Company review its liability in this case.

*B. K. Kale*  
BARTON KALE  
FIELD SPECIALIST

BK/lm

cc: Tom Emmett, OSM  
Tom Paluso, Soldier Creek Coal Company  
Joe Hefrich, DOGM

Statistics:

See Tower Resources memo dated May 13, 1983

June 20, 1983

Inspection Memo  
to Coal File:

RE: Soldier Creek Coal Company  
Soldier Canyon Mine  
ACT/007/018  
Folder No. 7  
Carbon County, Utah

A partial inspection was conducted at the above mentioned minesite by Barton Kale of the Division on June 9, 1983. The inspector was accompanied by Dave Spillman of Soldier Creek Coal Company (SCCC).

SCCC is planning to hire consultants to determine an adequate groundwater monitoring plan. It is the understanding of the inspector that one will be adequate by the winter and that quarterly sampling will be maintained until the new groundwater plan is approved.

The REI question (see last memo dated May 24, 1983) is still being addressed. The points being addressed at the present time are legal right-of-ways of the area in question and adequacy of material submitted for permit review by Soldier Creek Coal Company

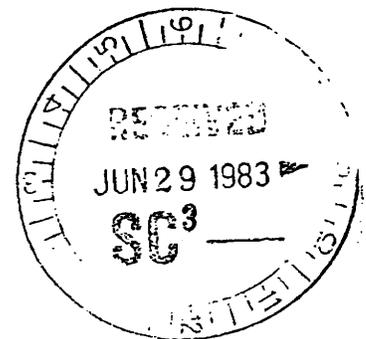
BARTON KALE  
FIELD SPECIALIST

BK/lm

cc: Tom Emmett, OSM  
Tom Paluso, SCCC  
Tom Portle, DOGM  
Joe Helfrich, DOGM

Statistics:

See Kaiser memo dated June 13, 1983.



April 3, 1984

Inspection Memo  
to Coal File:

RE: Soldier Creek Coal Company  
Soldier Canyon Mine  
ACT/007/018, Folder No. 7  
Carbon County, Utah

A partial inspection at the above mentioned minesite was conducted on March 14, 1984 by Barton Kale of the Division. The inspector was accompanied by Chris Allen of Solider Creek Coal Company (SCCC).

The area seeded last year around the sewage lagoon is starting to germinate, mostly on the south-facing slope. The straw bales at the site were still functioning as of this inspection.

Topsoil tests have just been completed on the material used as a base for the parking pad. This area borders the parking area on the south end. The firm of Ford, Bacon & Davis conducted the tests and furnished the Division with a plan and a commitment to reestablish the area when they were finished. The site was crimped with straw and seeded, covered with netting when the inspector viewed the site.

The new fan will be operational in early April. Only cosmetic work remains to be done. The lower corner downhill from the REI access road will need a little help in getting reestablished. The operator committed to spreading straw over this area to prevent erosion.

A new culvert was put in over the REI stream crossing this area which borders the fan site and should be watched by SCCC personnel. Rumor has it that REI will remove the scrap culvert that was left after construction. This area, although not part of the SCCC area, does adjoin it and, therefore, plays a part in management of the area.

During the inspection, it was noted that SCCC employees were cleaning the roadside, outside the gate, of coal that has fallen off trucks as they leave the property. There has been some controversy in this area as to jurisdiction on the road, but it is good to see the company take the initiative in clean-up and maintenance of a potential problem.

Barton Kale  
Field Specialist

BK/btb

cc: Tom Ehmett, OSM  
Chris Allen, SCCC  
J. Helfrich, DOGM

Statistics:

See Tower Resources memo dated March 30, 1984

82380

