

May 30, 2003

TO: Internal File

FROM: Wayne Western

RE: Chapter 5 and Bond Amendment, Canyon Fuel Company, LLC, Soldier Canyon Mine, C/007/018-AM03A

SUMMARY:

On April 4, 2003, the Division received amendment AM03A, Chapter 5 and Bond Amendment. The purpose of the amendment was to remove the proposed refuse pile and preparation plant from the MRP. The mine is currently in temporary cessation and the Permittee has no plans to wash any coal and will ship any coal mine waste to other facilities. Because the refuse pile and preparation plant are no longer in the MRP the Permittee has requested that the bond be adjusted to reflect those changes.

The Division reviewed the amendment and the MRP and found some deficiencies. The deficiencies associated with removing the refuse pile and preparation plant from the MRP involve references to those facilities still being mentioned in the amendment and MRP. The volume calculations in the reclamation cost estimate do not match those in the MRP and the vegetation cost estimates are not consistent with the approved MRP.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

The Permittee proposes to remove the refuse pile and preparation plant from the mine plan. Those facilities were never constructed and the Permittee does not anticipate the need for those facilities in the future. In parts of amendment AM03A, the Permittee either removed reference to the refuse pile and preparation plant or stated that those features would no longer be included in the mine plan.

However, in other parts of AM03A there are still references to either the refuse pile or preparation plant. For example in Section 5.26.22 of Chapter 5 of AM03A references are made to the preparation plant. In the appendices, there are plans and maps for the refuse pile and preparation plant. To avoid confusion the Permittee must either remove all references to the refuse pile and the preparation plant or state that those facilities will not be constructed.

Findings:

Information provided in the amendment is not considered adequate to meet the minimum requirements of the mining, operations and facilities section of the regulations. Before approval, the Permittee must provide the Division with the following:

R645-301-526 and R534-301-121.200, The Permittee must identify all references to the proposed refuse pile and preparation plant in the MRP and amendment AM03A. The Permittee must remove all reference to those facilities or state that the facilities were approved but later removed from the MRP. The Division listed some areas where references to the proposed refuse pile and preparation plan are still listed in the amendment and MRP in the analysis part of this section. Note: the Division did not make a complete list.

SUBSIDENCE CONTROL PLAN

Regulatory Reference: 30 CFR 784.20, 817.121, 817.122; R645-301-521, -301-525, -301-724.

Analysis:

Subsidence Control Plan

The subsidence control plan was modified to remove references to subsidence occurring in or around the refuse pile.

Findings:

The Permittee met the minimum requirements of the subsidence section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

Several maps in AM03A still show the refuse pile and preparation plant. For example, Figure 5-1 is titled "Typical Drawing of Refuse Disposal Area" and Figure 5.26-2 is titled "Flow Sheet Incorporating Baum Jig Preparation Plant." There are several maps in the MRP that show the refuse pile or preparation plant that need to be removed.

Findings:

Information provided in the amendment is not considered adequate to meet the minimum requirements of the mining, operations and facilities section of the regulations. Before approval, the Permittee must provide the Division with the following:

R645-301-521.180 and R534-301-121.200, The Permittee must either remove all maps that show the refuse pile or preparation plant or modify those maps so that those facilities are shown to have been removed from the MRP.

TECHNICAL MEMO

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Division divides the bond calculations into three parts, the direct, indirect and escalation. The direction costs consist of demolition, earthwork and vegetation. The Division reviewed the demolition costs and found that the information supplied by the Permittee was adequate to calculate the demolition costs.

The Division reviewed the earthwork costs and was unable to verify the volumes. Table 5.42-1 shows the cut and fill calculations for the main mine site. The Permittee shows that 68,432 CY of material will be cut from the site and 49,686 CY of fill are needed. In the bond calculations, the Permittee shows that 148,408 CY of material will be graded. The Division is unable to determine where the excess material will be shipped and where the 148,408 CY of material came from.

In Table 5.42-4 the Permittee shows that 2,970 CY of topsoil, 3,794 CY of subsoil and 1,337 CY of rock will be shipped to the main mine facility. On page 5-61, the Permittee states that 10,994 CY of topsoil or substitute topsoil is available. However, in the bond calculations the Permittee shows that 16,676 CY of topsoil will be trucked to the main mine site. The Permittee needs to show where the topsoil will be shipped from and how much topsoil will be used.

The Permittee does not show the volume calculations for the reclamation of the topsoil storage area, the sewage lagoon or the fuel storage area. The Permittee needs to show where how those volumes were calculated.

The Division looked at the vegetation costs in the bond calculations and at the vegetation plan and found that the procedures did not match. For example, in the vegetation plan the Permittee proposes to rip and drill seed while in the bond calculation the Permittee shows that the areas will be pocked and hydroseeded. The Permittee needs to submit vegetation costs that are based on the approved MRP. If the Permittee proposes to change the vegetation plan then that plan needs to be modified.

Findings:

Information provided in the amendment is not considered adequate to meet the minimum requirements of the mining, operations and facilities section of the regulations. Before approval, the Permittee must provide the Division with the following:

R645-301-830.140, The Permittee must provide the Division with detailed earthwork and vegetation cost estimates. See the analysis section for details. Note: the Division will be glad to assist the Permittee with bond calculations

RECOMMENDATIONS:

The Division should deny the amendment until all of the above deficiencies are satisfied.

The Division should encourage the Permittee to refuse pile area and any other permitted islands that will not be used from the permit boundary.