

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT

For
PERMIT RENEWAL

Canyon Fuel Company, LLC
Soldier Canyon Mine
C/007/0018
Carbon County, Utah

February 3, 2007

CONTENTS

- * Administrative Overview
- * Location Map
- * Permitting Chronology
- * Findings
- * Permit
- * Affidavit of Publication
- * AVS Recommendation

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0007 Date 02/05/2007

In C 0070018 Outgoing
For additional information

ADMINISTRATIVE OVERVIEW

Canyon Fuel Company, LLC
Soldier Canyon Mine
C/007/0018
Carbon County, Utah

February 3, 2007

PROPOSAL

Canyon Fuel Company, LLC made application to the Division of Oil Gas and Mining for a five-year permit Renewal for the Soldier Canyon Mine on September 27, 2006.

BACKGROUND

The Mining and Reclamation Plan (MRP) for the Soldier Canyon Mine (Soldier Creek Coal Company [SCCC]– permittee) was originally approved by the Division of Oil, Gas and Mining (DOGM) and the Office of Surface Mining Reclamation and Enforcement (OSMRE) on June 10, 1985. The approved permit area consisted of two federal coal leases, SL-051279-063188 and U-50722, encompassing 2,143.81 acres. The Bureau of Land Management (BLM) administered 590 of those acres and the remainder were privately owned.

In June of 1986, SCCC was sold to the Sun Company. A new MRP was submitted which incorporated two new state coal leases (ML-21994 and ML-22675) and portions of two other state leases (ML-42648 and ML-42649), held by affiliates of Sun Company, into the permit area. The new MRP was approved by DOGM on February 3, 1987, bringing the permitted area to a total of 4,347.99 acres. Due to the extensive additions to the permit area and submittal of a complete new MRP, a new five-year permanent program was issued.

SCCC acquired state lease ML-44365 on April 3, 1989 and requested that it be added to the permit area on April 17, 1989. The lease encompassed 557.20 acres. A revised mining permit incorporating lease ML-44365 was issued on August 8, 1989. This brought the total permit acreage to 4905.19 acres.

A topsoil/substitute topsoil storage site, consisting of an additional 4.5 acres was added to the permit area on May 28, 1991, bringing the total permit acreage to 4909.69 acres.

In order to accommodate an increase in production and additional expansion at the mine site, SCCC required more space. A surface expansion was approved in June 1991. The applicant proposed to increase intake capacity for the ventilation network and update the coal handling and transportation facilities at the mine. The total increased area of surface disturbance

for the site was 5.6 acres and increased the disturbed area from 32.2. to 37.8 acres. The stretch of county road going through this area was also relocated.

On May 14, 1996 an incidental boundary change was approved to allow mining in the Alkali Lease (UTU-69635). This consisted of only 276 acres of the lease and was done to allow SCCC to continue mining while the application for the entire lease was being processed. The application for the entire Alkali Lease was submitted on May 31, 1996.

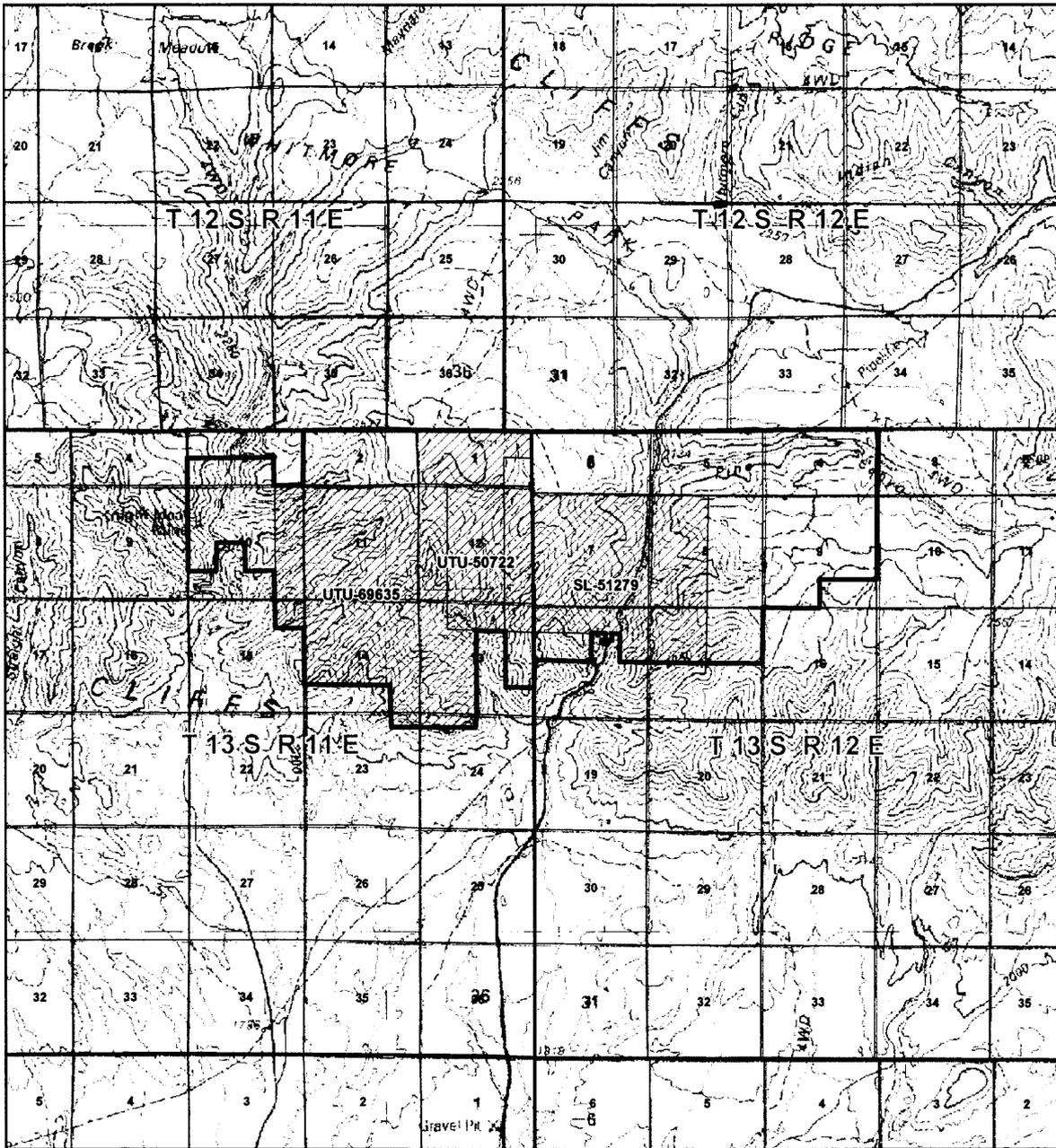
However, SCCC encountered burn in the incidental boundary change and quickly needed to alter their mining sequence. Therefore, a second incidental boundary change was submitted on October 3, 1996 for 186 acres and was approved on November 5, 1996 by the Division and received mining plan approval on December 19, 1996. The significant revision to mine the entire Alkali Lease Tract was eventually approved on June 20, 1997 and the mining plan approval was signed on August 20, 1997.

On December 20, 1996, the permit was transferred from Soldier Creek Coal Company to Canyon Fuel Company, LLC. This mine has been in temporary cessation since March 25, 1999.

The bond was reduced from \$3, 238,000 to \$1,593,000 during the last midterm review in 2004 due to the removal of the refuse pile (which was proposed but never built).

RECOMMENDATION

The application for a successive permit renewal has met the requirements for approval. The permit renewal was advertised in the Sun Advocate on October 19, 24, 26 and 31, November 2, 7, 9 and 14, 2006. The comment period ended on December 14, 2006 and no comments were received.



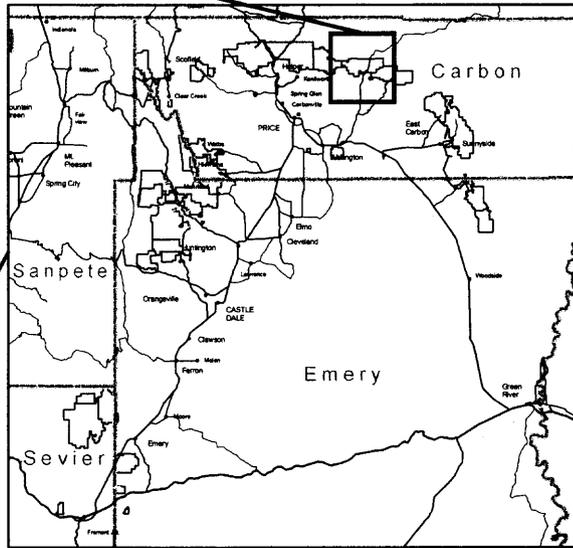
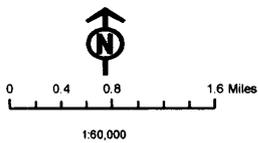
Soldier Canyon Mine

C0070018
Carbon County, Utah
October 2006

Township 13 South Range 11 & 12 East

File: N:/gis/coal/coalareamaps/C0070018.pdf

-  Permit Area
-  Proposed Mine Plan Modification (if shown)
-  Federal Lease Areas



Locator Map

PERMITTING CHRONOLOGY

Canyon Fuel Company, LLC
Soldier Canyon Mine
C/007/0018
Carbon County, Utah

February 3, 2007

September 27, 2006	Canyon Fuel Company, LLC submitted the application for permit renewal.
October 25, 2006	Permit renewal application determined administratively complete.
November 1, 2006	Letter from Division to federal, state and local agencies to notify them about the permit renewal for Soldier Canyon Mine.
October 19, 24, 26 and 31 And November 2, 7, 9, and 14, 2006	Publication notices in the <u>Sun Advocate</u> about the permit renewal for the Soldier Canyon Mine.
December 14, 2006	No comments received.
February 3, 2007	Permit renewed.

PERMIT RENEWAL FINDINGS

Canyon Fuel Company, LLC
Soldier Canyon Mine
C/007/0018
Carbon County, Utah

February 3, 2007

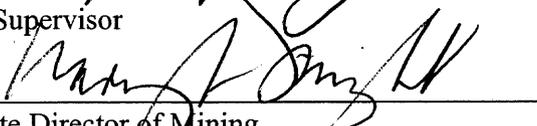
1. Application for a permit renewal was made on September 27, 2006 (R645-303.233.100).
2. The terms and conditions of the existing permit are being satisfactorily met (R645-303-233.110). (See TA dated August 23, 2005)
3. The present underground coal mining activities are in compliance with the environmental 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 Program (R645-303-233.130).
5. The permittee has provided evidence of having liability insurance (Ace American Insurance Company #HDO G2 1732576) (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. (St. Paul Fire and Marine Insurance Company #400SA1918 in the amount of \$1,593,000) (R645-303-233.150).
7. For the most recent permit term, permit changes have been incorporated into the permit.



Permit Supervisor



Permit Supervisor



Associate Director of Mining



Director

FEDERAL

PERMIT
C/007/0018

February 3, 2007

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/007/0018, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOG M) to:

Canyon Fuel Company, LLC
255 North 5th Street, Suite 900
Grand Junction, Colorado 81501

for the Soldier Canyon Mine. Canyon Fuel Company, LLC is the lessee of federal, state and fee-owned property. A performance bond is filed with the DOGM in the amount of \$1,593,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). 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 coal mining and reclamation operations on following described lands within the permit area at the Soldier Canyon Mine situated in the state of Utah, Carbon County, and located:

Township 13 South, Range 12 East, SLBM

Section 4: All;
Section 5: All;
Section 6: All;
Section 7: All;
Section 8: All;
Section 9: NW1/4;
Section 17: NW1/4;
Section 18: N1/2N1/2, SE1/4NE1/4, S1/2NW1/4, portions of NE1/4SW1/4NE1/4 and NW1/4SW1/4NE1/4; and
Section 19: Portions of W1/2SW1/4SW1/4.

Township 13 South, Range 11 East, SLBM

Section 1: All;

Section 2: All;
Section 3: Lots 5, 6,7;
Section 10: N1/2,E1/2SE1/2, NW1/4SE1/4, NW1/4SW1/4;
Section 11: All;
Section 12: All;
Section 13: N1/2NE1/4, W1/2, NE1/4SE1/4, SE1/4NE1/4;
Section 14: N1/2, N1/2S1/2, SE1/4SE1/4;
Section 15: NE1/4NE1/4;
Section 23: N1/2NE1/4NE1/4;
Section 24: N1/2N1/2NW1/4, portions of E1/2SE1/4SE1/4; and
Section 25: Portions of N1/2NW1/4SE1/4 and S1/2SW1/4NE1/4.

This legal description is for the permit area of the Soldier Canyon Mine. The permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of the leases, including all conditions and all other 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 February 3, 2012.
- 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 underground coal mining 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: RECLAMATION FEE PAYMENT - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.

Sec.13: 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.14: 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.15: 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.16: 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.17: APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.
- Sec.18: 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. 1-18) 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: John R. Byrnes

Date: 2/5/2007

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) Canyon Fuel Company, LLC must submit water quality data for the Soldier Canyon Mine in an electronic format through the Electronic Data Input web site, <http://hlunix.hl.state.ut.us/cgi-bin/appx-ogm.cgi>.

O:\007018.SOL\FINAL\permits\Renewal2007\Renewedpermit2007.doc

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 a true copy of which is hereto attached, was published in the full issue of such newspaper for 8 (Eight) consecutive issues, and the first publication was on the 19th day of October, 2006, and that the last publication of such notice was in the issue of such newspaper dated the 14th day of November, 2006.

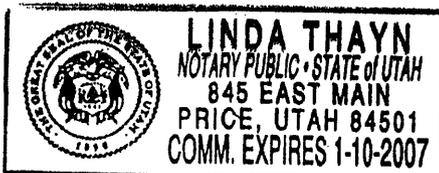
Richard Shaw
Richard Shaw - Publisher

Subscribed and sworn to before me this 14th day of November, 2006.

Linda Thayne

Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, \$ 1,198.08



PUBLIC NOTICE

Canyon Fuel Company, LLC of Grand Junction, Colorado, hereby announces its intent to renew its coal mining permit for the Soldier Canyon Mine under the laws of the State of Utah and the U.S. Office of Surface Mining. The currently approved mining permit is number C/007/018.

Canyon Fuel Company, LLC operates the Soldier Canyon Mine with facilities located approximately 12 miles northeast of Wellington, Utah.

Underground coal mining will take place in coal reserves owned or leased by Canyon Fuel Company, LLC. A description of the permit area follows:

Township 13 S., Range 11 E., Salt Lake Base and Meridian

- Section 1: All
- Section 2: All
- Section 3: Lots 5, 6, 7
- Section 10: N1/2, E1/2 SE1/2, NW1/4 SE1/4, NW1/4 SW1/4
- Section 11: All
- Section 12: All
- Section 13: W1/2, NW1/4 NE1/4, E1/2 NE1/4, NE1/4 SE1/4
- Section 14: N1/2, N1/2 S1/2, SE1/4 SE1/4
- Section 15: NE1/4 NE1/4
- Section 23: N1/2 NE1/4 NE1/4
- Section 24: N1/2 N1/2 NW1/4, Portion of E1/2 SE1/4 SE 1/4
- Section 25: Portions of N1/2NW1/4 SE1/4 and S1/2SW1/4 NE1/4

Township 13 S., Range 12 E., Salt Lake Base and Meridian

- Section 4: All
- Section 5: All
- Section 6: All
- Section 7: All
- Section 8: All
- Section 9: NW1/4
- Section 17: NW1/4
- Section 18: NW1/4, NW1/4 NE1/4, E1/2 NE1/4, NW1/4 NE1/4 SW1/4 NE1/4, NW1/4 SW1/4 NE1/4 SW1/4 NE1/4, NE1/4 SE1/4 NW1/4 SW1/4
- Section 19: Portion of the W1/2 SW1/4 SW1/4

The address of the applicant is: Canyon Fuel Company, LLC
225 North 5th Street, 9th Floor
Grand Junction, CO 81501

After filing, copies of this permit renewal application will be available for inspection at the following locations: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah, and the Carbon County Courthouse, 120 East Main Street, Price, Utah.

Written comments or requests regarding this permit renewal must be made within 30 days of the last publication of this notice, and may be addressed to the Coal Program, Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate October 19, 24, 26, and 31, November 2, 7, 9 and 14, 2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 2, 2007

To: Compliance File

From: Pamela Grubaugh-Littig, Permit Supervisor 

Re: 510 (c) Recommendation for Canyon Fuel Company, LLC, Soldier Canyon Mine, C/007/0018

As of this writing of this memo, there are no NOVs or COs which are not corrected or in the process of being corrected for the Soldier Canyon Mine. 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 have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is a recommendation from the OSM Applicant Violator System for the Soldier Canyon Mine that states there are no outstanding violations.

O:\007018.SOL\FINAL\permits\Renewal2007\AVSmemo20207.doc

Application Evaluation Report Applicant Violator System 01-Feb-2007 09:57:39

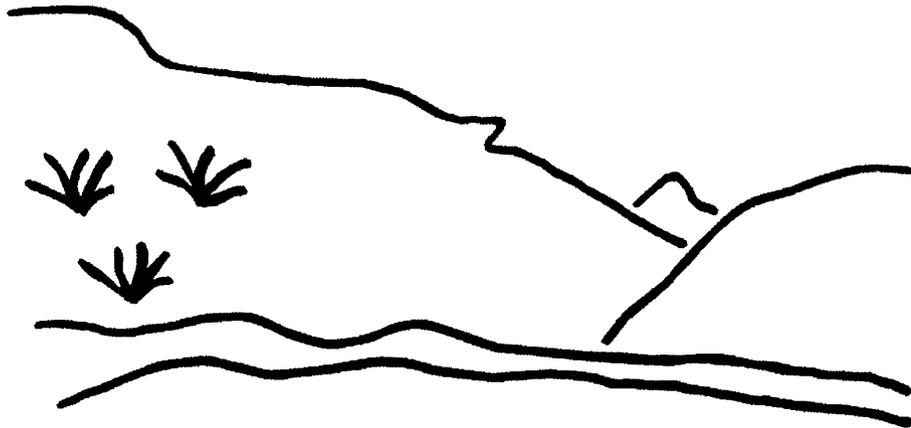
State : UT Permit No : AC10047016 Appl No : AC10047016
Permitter : 142816(CANYON FUEL CO LLC) Scenario : 3
Applicant : 142816(CANYON FUEL CO LLC)

OSMRE Comments/Analysis: Date : 29-Jan-2007 Mode : VIEW

SRA: Comments/Analysis: Date : 01-Feb-2007 Mode : UPDATE

SAVE (F5) DELETE (F8)
PRV SCR (F3) QUIT (F4) CHOICES (F10)

State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Soldier Canyon Mine
Canyon Fuel Company, LLC
C/007/0018
Technical Analysis
August 23, 2005

TABLE OF CONTENTS

TECHNICAL ANALYSIS DESCRIPTION	1
GENERAL CONTENTS.....	3
IDENTIFICATION OF INTERESTS	3
VIOLATION INFORMATION	3
SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT APPROVAL	4
SOILS RESOURCE INFORMATION	4
ENVIRONMENTAL RESOURCE INFORMATION.....	7
SOILS RESOURCE INFORMATION	7
PRIME FARMLAND.....	8
OPERATION PLAN	9
MINING OPERATIONS AND FACILITIES.....	9
FISH AND WILDLIFE INFORMATION	10
TOPSOIL AND SUBSOIL.....	10
Topsoil Removal and Storage.....	10
HYDROLOGIC INFORMATION.....	11
Acid- and Toxic-Forming Materials and Underground Development Waste	14
MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS	15
Certification Requirements.....	15
RECLAMATION PLAN.....	17
GENERAL REQUIREMENTS.....	17
TOPSOIL AND SUBSOIL.....	17
Redistribution	17
BACKFILLING AND GRADING.....	18
General.....	18
MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS	19
BONDING AND INSURANCE REQUIREMENTS	20

TECHNICAL ANALYSIS DESCRIPTION

TECHNICAL ANALYSIS DESCRIPTION

The Division ensures that coal mining and reclamation operations in the State of Utah are consistent with the Coal Mining Reclamation Act of 1979 (Utah Code Annotated 40-10) and the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87). The Utah R645 Coal Mining Rules are the procedures to implement the Act. The Division reviews each permit or application for permit change, renewal, transfer, assignment, or sale of permit right for conformance to the R645-Coal Mining Rules. The Applicant/Permittee must comply with all the minimum regulatory requirements as established by the R645 Coal Mining Rules.

The regulatory requirements for obtaining a Utah Coal Mining Permit are included in the section headings of the Technical Analysis (TA) for reference. A complete and current copy of the coal rules can be found at <http://ogm.utah.gov>

The Division writes a TA as part of the review process. The TA is organized into section headings following the organization of the R645-Coal Mining Rules. The Division analyzes each section and writes findings to indicate whether or not the application is in compliance with the requirements of that section of the R645-Coal Mining Rules.

GENERAL CONTENTS

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Arch Coal Corporation obtained full ownership of Canyon Fuel Company in the fall of 2004. While making the required changes in the ownership and control information, they decided to have a "General Chapter 1." This Chapter 1 contains all of the required ownership and control information, and is valid for all Canyon Fuel Company mines. This will simplify the process of keeping the ownership and control information updated for each of the mines. The Division notified the Permittee of final approval of the "General Chapter 1" on February 11, 2005.

Findings:

Identification of Interests Information meets the minimum requirement of the regulations.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132, R645-301-113

Analysis:

The Soldier Canyon Mine does not have any outstanding Notices of Violation (NOV). The AVS system does not show any of the following for Canyon Fuel Company:

- State or Federal Permit suspension or revocation,
- Bond or other security forfeiture in the last five years,
- Any unresolved State or Federal violations received within the last three years, or
- Any outstanding, unresolved violations.

Finding:

Violation Information meets the minimum requirements of the regulations.

SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT APPROVAL

Regulatory References: 30 CFR 773.17; R645-300-140; R645-300-145

Analysis:

The Division issued the current permit on February 3, 2002. It expires February 3, 2007. There is one stipulation attached to the permit; that Canyon Fuel Company must transfer required water-monitoring data for the mine to the Division electronically through the Division's Electronic Data Input (EDI) page at <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>. The Permittee has complied with the stipulation by submitting the data electronically each quarter.

Finding:

The Special Conditions Or Stipulations To The Permit Approval information meets the minimum requirements of the regulations.

SOILS RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.21; 30 CFR 817.22; 30 CFR 817.200(c); 30 CFR 823; R645-301-220; R645-301-411.

Analysis:

The central mine facilities are located T. 13 S., R. 12 E. Sec. 7 and 18. The mining activity straddles both Soldier Creek and the County road. Much of the central facilities site was disturbed prior to SMCRA, as shown on Ex. 2.22-2. The elevation is 6700 to 6800 ft. MSL. The soil is the mountain loam range type. Slopes range from 10% to 60%.

Exhibit 2.22-1 is an Order III level map of the soil resources. The results of 1984 sampling of the substitute topsoil (sewage lagoon, No. 2 fan site), pad fill (sediment pond storage pad, parking lot fill, upper storage area, crib wall), and previously existing topsoil are provided in Table 2.22-1. Locations of these soil samples are shown on Ex. 3.7-2 and 5.21-1 (Vol 6.). The soils were analyzed by Utah State University Plant and Soil Laboratory. Several test plots were established at the mine site (MRP pp. 2-23, 2-38) in 1984 and were discontinued in 1994. Observations from the test plots were included in the Soldier Canyon Annual Reports.

During the surface facilities expansion, county road relocation, culvert installation, and new portal development additional information was gathered on the soils within the riparian buffer zone and adjacent slope. Soil pits are labeled on Ex 2.22-2 (Vol. 6). Soils were analyzed by Intermountain Laboratories. Table 2.22-2 provides a list of samples taken by location and

GENERAL CONTENTS

date. The results of all these analyses are found in Appendix 10, Vol. 5 of the MRP. In the vicinity of test pits #3 and #4, soils had been well mixed down to bedrock due to gas line installation, thus only the upper foot of soil was sampled from these pits. Soils in the portal expansion area are a sandy loam to loam with 22% gravels and cobbles. Appendix 2-G provides information on Guben soils on the slope east of the creek where the portals were installed.

The Soldier Canyon topsoil storage site is located in T. 13 S. R. 11 E., Sec. 25, S1/2SW1/4NE1/4, approximately 2.5 miles south of the central mine facilities area (see Ex 5.21-2 Topsoil Storage Area for as built information on the stockpiles. The site is a gently sloping bench at an elevation of 6,200 ft. The vegetation is sagebrush-grass-juniper community as shown on Ex 3.7-3/Map A (Vol. 6). Soils at the topsoil storage site were sampled in 1990 and are represented by Test Pit OTP-1 (illustrated on Figure 1 of Appendix 2A, Vol. 2). Analysis of the soil from OTP-1 is found in Appendix 2-D. Other information in Vol. 2 Appendix 2-C and 2-D pertains to the waste rock site that was not constructed.

Topsoil storage site soils are in the Hernandez family (Map Unit 53). The Hernandez soil unit consists of very deep, well drained soils developed on fan terraces. These soils formed in alluvium derived from sandstone and shale. Slopes are 1 – 8%. The soil is classified as a fine loamy, mixed mesic Ustollic Calciorthid. Topsoil was removed from the 2.2 acre site and was used to form berms around the site. The southern border of the Soldier Canyon portion of the storage site is an irrigation ditch.

[08092005]

Findings:

The information provided meets the requirements for environmental soils resource description.

Page 6
C/007/0018
August 23, 2005

GENERAL CONTENTS

ENVIRONMENTAL RESOURCE INFORMATION

ENVIRONMENTAL RESOURCE INFORMATION

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

SOILS RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.21; 30 CFR 817.22; 30 CFR 817.200(c); 30 CFR 823; R645-301-220; R645-301-411.

Analysis:

The central mine facilities are located T. 13 S., R. 12 E. Sec. 7 and 18. The mining activity straddles both Soldier Creek and the County road. Soils information is found in Volume 1 and Volume 6 of the MRP. Much of the central facilities site was disturbed prior to SMCRA, as shown on Ex. 2.22-2 (Vol. 6). The elevation is 6700 to 6800 ft. MSL. The soil is the mountain loam range type. Slopes range from 10% to 60%.

Exhibit 2.22-1 (Vol. 6) is an Order III level map of the soil resources. The locations of 1984 sampling of the substitute topsoil (sewage lagoon, No. 2 fan site), pad fill (sediment pond storage pad, parking lot fill, upper storage area, crib wall), and previously existing topsoil are shown on Ex. 3.7-2 and 5.21-1 (Vol. 6) and results of sampling are provided in Table 2.22-1. The samples were analyzed by Utah State University Plant and Soil Laboratory. Several test plots were established at the mine site on substitute topsoil in 1984 and were discontinued in 1994 (MRP pp. 2-23, 2-38). Observations from the test plots were included in the Soldier Canyon Annual Reports.

During the surface facilities expansion, county road relocation, culvert installation, and new portal development additional information was gathered on the soils within the riparian buffer zone and adjacent slope. Soil pits are labeled on Ex 2.22-2 (Vol. 6). Table 2.22-2 provides location, date, and identification numbers of reports for each set of analyses. All analyses are found in Appendix 10 (Vol. 5). Samples were analyzed by Intermountain Laboratories. The survey confirmed that the installation of a buried gas line had previously disturbed soils in the vicinity of test pits #3 and #4. Soils had been well mixed down to bedrock, thus only the upper foot of soil was sampled from these pits. Soils in the portal expansion area are a sandy loam to loam with 22% gravels and cobbles.

The Soldier Canyon topsoil storage site is located in T. 13 S. R. 11 E., Sec. 25, S1/2SW1/4NE1/4, approximately 2.5 miles south of the central mine facilities area, see Ex 5.21-2 Topsoil Storage Site for as-built information. The site is a gently sloping bench at an elevation of 6,200 ft. The vegetation is a sagebrush-grass-juniper community (Ex 3.7-3/Map A). Soils at the topsoil storage site were sampled in 1990 and are represented by Test Pit OTP-1 (illustrated

on Figure 1 of Appendix 2A (Vol. 2). The analyses of the soil at the topsoil site is found in App. 2C and 2D (Vol. 2).

Topsoil storage site soils are in the Hernandez family (Map Unit 53). The Hernandez soil unit consists of very deep, well drained soils developed on fan terraces. These soils formed in alluvium derived from sandstone and shale. Slopes are 1 – 8%. The soil is classified as a fine loamy, mixed mesic Ustollic Calciorthid. Topsoil was removed from the 2.2 acre site and was used to form berms around the site. The southern border of the Soldier Canyon portion of the storage site is an irrigation ditch.

[08102005]

Findings:

The information provided meets the requirements for environmental soils resource description.

PRIME FARMLAND

Regulatory Reference: 30 CFR 785.16, 823; R645-301-221, -302-270.

Analysis:

Appendix 2-B contains negative prime farmland determination letters from the NRCS for the central facilities site.

The land used for the topsoil storage area is owned by Soldier Canyon Mine and prior to development of the topsoil stockpiles, was leased for grazing. Soldier Canyon Mine owns the water flowing in the irrigation ditch south of the Soldier Canyon stockpiles. This water flows downstream to Anderson Reservoir. Soils in the location of the topsoil storage site are in the map unit 53 (Hernandez family, moist, 1 to 6 percent slopes) and Map unit 35 (Gerst-Badland-Stormitt Complex). Appendix 2B contains letters from the State Soil Scientist in February 1991 stating that the lands north of the irrigation ditch were not primefarmland.

Findings:

The land being utilized for Soldier Canyon's topsoil storage area was not previously irrigated and has not historically been used as cropland. Therefore, the Division, in consultation with the NRCS, finds that there is no prime farmland in the Soldier Canyon permit area.

OPERATION PLAN

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

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

Analysis:

The Permittee wanted to reduce the bond amount for the Soldier Canyon Mine by removing approved but never constructed facilities from the mining and reclamation plan. The approved but never constructed facilities were the preparation plant and the refuse pile.

At the request of the Permittee, the Division changed the status of the Soldier Canyon Mine on March 25, 1999 from active to being in temporary cessation. The Permittee changed the status of the Soldier Canyon Mine due to poor market condition. The Permittee's market studies later concluded that they would sell all future coal as run-of-mine. Therefore, the Permittee would not need a preparation plant.

Without a preparation plant, the amount of coal mine waste generated at the Soldier Canyon Mine would be much smaller than the Permittee originally anticipated. The Permittee determined that the refuse pile for the Dugout Mine (a sister mine) could handle the coal mine waste from the Soldier Canyon Mine. Therefore, the Permittee no longer needed a refuse pile at the Soldier Canyon Mine.

The Permittee could not simply remove all references for the preparation plant and the refuse pile from Chapter 5 because:

- The reclamation plan called for shipping approximately 20,000 yd³ of material from the main mine site to the refuse pile during final reclamation. Therefore, the Permittee modified the reclamation plan by having that material stay at the mine site.
- The Permittee modified the maps by removing the preparation plant and the refuse pile. The maps are all hand drawn. Removing the preparation plant and refuse pile from the maps would require a new set of maps. Instead of submitting new maps, the Permittee updated the maps with stickers.

Findings:

The Mining Operations and Facilities Information meets the minimum requirements for this section of the regulations.

FISH AND WILDLIFE INFORMATION

Regulatory Reference: 30 CFR Sec. 784.21, 821.97; R645-301-322, -301-333, -301-342, -301-358

Analysis:

Wetlands and Habitats of Unusually High Value for Fish and Wildlife

Adverse effects of mining on water quality to the Colorado River drainages affect four Colorado River endangered fish species. The USFWS considers depletions or changes to contributions to the Colorado River drainage as potential jeopardy to these fish. Figure 7.28-20 of the MRP shows estimated Evapotranspiration, Water Added to Coal, and mine (UPDES) Discharge from 1985 to 1991. The Permittee has listed current water depletions or additions for mining operations in Section R645-301-333 of the MRP. (R645-301-322; -333.): because the mine has been in temporary cessation since March 1999, there is currently no water consumption.

Findings:

Fish And Wildlife Information regarding mine water consumption and the Colorado Fish Recovery Program is sufficient to meet the requirements of the Coal Mining Rules.

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-230.

Analysis:

Topsoil Removal and Storage

There are 4,414 cu yds of subsoil and 3,560 cu yds of topsoil stockpiled at the Soldier Canyon storage site (Chap 5 revised pg 5-57 and 5-64 and Figures 2 and 3, Appendix 2E).

Exhibit 5.21-2, referred on pages 2-31, 2-32 and 2-39 of the MRP shows the original topsoil storage site configuration in 1992. Since then, the topsoil storage site has expanded to 8.6 acres with 7.8 acres being disturbed. Of those 7.8 acres, 2.3 acres are used for storage of topsoil, subsoil and landscape boulders/rock for the Soldier Creek Mine (p 5-33 Chapter 5 of the revision and Plate 2-3 of Appendix 2-F). The four stockpiles remain in their original configuration as shown in Figures 2 and 3 and Plate 2-3 of Appendix 2E.

OPERATION PLAN

Findings:

Topsoil and Subsoil Information meets minimum requirements of this section of the regulations.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

The plan contains commitments to use the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area. BTCA means that the operator is employing the best methods available at any one time. The Soldier Canyon MRP contains the following commitments to BTCA in controlling sediment.

Water-Quality Standards And Effluent Limitations

The mine has a current Utah Pollutant Discharge Elimination System (UPDES) Permit, which it is abiding by. The current permit was issued on May 1, 2003 and expires April 30, 2008. The permit allows for a total dissolved solids (TDS) discharge of 1200 mg/L, or 5 tons per day (tons/day) as daily maximums.

There are three point-sources covered under the UPDES Permit; UT0023680-001 (MW-1 mine discharge), UT0023680-002 (sedimentation pond), and UT0023680-003 (MW-2 mine discharge).

MW-1 has not discharged since December of 1991. The maximum pounds per day of TDS ever discharged from this point were 2620 (1.31 tons/day).

MW-2 has not discharged since May of 1998. The maximum pounds per day of TDS ever discharged from this point were 9440 (4.72 tons/day).

The sedimentation pond has never discharged.

Canyon Fuel Company has met the requirements of the UCMR by keeping point-source discharges within the UPDES limits.

Sediment Control Measures

The Permittee uses a series of culverts and ditches to divert all runoff from the undisturbed area away from the disturbed area to prevent excess sediment contribution from the disturbed area. The sedimentation pond treats all runoff from the disturbed area, except in nine small areas where the Permittee uses alternative sediment controls.

Siltation Structures: Sedimentation Ponds

The sedimentation pond for the disturbed area is located across the county road and slightly to the south of the mine office building. The Permittee designed the pond to contain all runoff from the disturbed area for a 10-year, 24-hr. storm event, with 0.27 acre-feet extra capacity. The cleanout level for the pond is at least 2 feet below the decant level, as required by the Division of Water Quality. The outfall of the pond is riprapped.

Siltation Structures: Alternative Sediment Control Areas (ASCAs)

To control sediment in areas that do not report to the sedimentation pond, the Permittee currently has nine approved Alternative Sediment Control Areas (ASCAs). The ASCAs account for a total of 4.9 acres of drainage area as discussed below.

ASCA #1 – REI Storage Area

The REI storage area was formerly used by Resource Enterprises, Inc. (REI) to store equipment and small parts. The area is 0.42 acres in size and is located immediately southwest of the sedimentation pond (Figure 7.42-1). Sediment control measures used in this area include:

- Gravel placed on entire storage area, including access,
- A berm on the down-slope side of the area, directing all runoff to a channel,
- Revegetation of the topsoil pile from the area,
- Straw bales along the southern end of the topsoil pile,
- Cobble size stones lining the channel, and
- Straw bales to treat the runoff from the channel where it connects to the natural drainage.

ASCA #2 – Parking Lot Outslope

The parking lot east of the mine office building was constructed before SMCRA was passed. The outslopes do not report to the sedimentation pond, therefore alternative sediment control is practiced. This area includes 0.27 acres. Sediment control measures in this area include:

- Vegetation,
- Rip-rap, and
- High infiltration soils.

OPERATION PLAN

ASCA #3 – No. 2 Exhaust Fan Site

The No. 2 exhaust fan site, approximately 1,200 feet north of the mine office building, has a total area of 0.35 acres. Sediment control measures in this area include:

- A vegetation test plot (0.06 acres),
- Gravel covering the entire area (except the vegetation test plot),
- A small drainage ditch to separate the site from the county road (gravel lined), and
- Straw bales around the end of the fan exhaust stack and at the point of lowest elevation.

ASCA #4 – Disturbed Area North of Fan No. 2

This area is 0.02 acres. Sediment control measures in this area include:

- Reseeding of the entire area,
- An erosion blanket placed over the surface, and
- A small berm at the top of the slope to prevent runoff from entering the area.

ASCA #6 – Sewage Lagoon Outslopes

The sewage lagoon is located approximately 2 miles south of the mine office building. It is a total containment sewage lagoon system and all disturbed area drainage for the lagoon, except the outslopes, is designed to be contained in the lagoon. The outslopes have an area of 0.46 acres. Sediment control measures in this area include:

- Vegetation of the outslopes, and
- Rip-rap/gravel on top of the embankment.

ASCA #7 – Topsoil Storage Site

The topsoil storage site is located approximately 2.5 miles south of the mine office. It contains topsoil piles for the Soldier and Dugout Canyon Mines. The site includes 2.30 acres. Sediment control measures in this area include:

- Diversions to keep undisturbed runoff from entering the site,
- Berms around the topsoil pile,
- Vegetation,
- Straw bales and/or silt fences along the ancillary road, and
- A fence to prevent unauthorized access and unwanted disturbance.

ASCA #8 – Bypass Culvert Inlet

This area is 0.04 acres and has been riprapped to control sediment.

ASCA #9 – No. 3 Fan Exploration Road

This road begins approximately 300 feet north of the No. 2 exhaust fan facility and continues to the north for about 675 feet. There are 0.61 acres in this ASCA. Sediment control measures in this area include:

- Extreme roughening (pocking and gouging),
- Fertilization,
- Seeding, and
- Mulching.

The nine ASCAs, as discussed above, represent the Best Technology Currently Available (BTCA) in controlling sediment in areas that do not report to the sedimentation pond. The sedimentation pond represents BTCA for controlling sediment in the rest of the disturbed area.

Acid- and Toxic-Forming Materials and Underground Development Waste

A maximum of 1,000 CY of underground development waste may be temporarily stockpiled in the location shown on Exhibit 5.21-1a found in MRP Volume 6 (p 5-42, Section 5.28). Waste stockpiled for longer than three months will be composite sampled (MRP page 5-46). Samples will be analyzed according to Table 6 of the Division's 1988 Guidelines for Topsoil and Overburden. Table 6 includes the analysis of pH, EC, SAR, Se, B, and ABP, among other parameters.

Underground development waste was utilized for the development of pads, roads, and culvert backfill at the site (p5-42, Section 5.28). The material used in construction was analyzed prior to use (Illustration 10.2.6-1 and 10.2.6-2, Appendix 10, Volume 5 of the MRP). Section 5.28 indicates that all underground development waste used in the construction of the culvert/pad extension will be used to backfill the highwalls and covered with four feet of material (page 5-42, Section 5.28). These statements were made in the MRP because of the chemical characteristics of the waste (the SAR value of 24.5 units and EC of 20.4 mmhos/cm, see Illustrations 10.2.6-1 Appendix 10, Volume 5 of the MRP).

The cut and fill balance for Pre-SMCRA areas is given in Table 5.42-1. According to this table, there is approximately 506,139 cu ft (CF) or 18,745 cubic yards (CY) of excess cut within the operations area. Soils within the top eighteen inches of the regraded site will be analyzed for topsoil suitability criteria (Section 2.43, Chapter 2).

In addition, the post-SMCRA areas will receive an additional twelve inches of topsoil and the pre-SMCRA areas will receive approximately 5 inches of topsoil (page 5-58, Section 5.28).

OPERATION PLAN

Water Replacement

Section 7.27 of the MRP states that any adverse affects to water rights will be reported to the Division of Water Rights and mitigation measures will be identified and implemented. In Section 7.31.8, the Permittee states it has sufficient water rights (identified in Appendix 7-1 and on Plate 7-2) to assure replacement of water sources impacted by mining, and commits to use those water rights to replace water supplies contaminated, diminished, or interrupted as a result of the Soldier Canyon Mine operations. The Permittee's commitment specifies landowners, but the Coal Mining Rules apply this commitment to all holders of water rights.

Findings:

Operations Hydrologic Information is sufficient to meet the requirements of the R645 Coal Rules.

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:

As mentioned earlier, the Permittee updated the maps with stickers to show the removal of the preparation plant and refuse pile from the mining and reclamation plan. The Permittee used stickers because the maps were hand drawn and they did not want to spend the time and money to redraw the maps.

Certification Requirements

All maps have been updated with stickers and the required professional engineer certifications.

Findings:

The Maps, Plans, And Cross Sections Of Mining Operations provided in the MRP meet the minimum requirements of this section of the regulations.

RECLAMATION PLAN

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

Removal of the refuse pile required a reclamation plan modification. The original reclamation plan called for hauling 20,000 yd³ of fill and topsoil from the main mine site to the refuse pile. Because the refuse pile no longer exists, the Permittee modified the reclamation plan by having the 20,000 yd³ remain at the main mine site. Neither the Permittee nor the Division considered the changes significant enough to warrant changing the contours on the reclamation maps.

Findings:

The General Reclamation Information provided in the MRP meets the minimum requirements for this section of the regulations.

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-240.

Analysis:

Redistribution

Plans for removal of topsoil from the topsoil storage site are provided in Section 5.8 of Chapter 5.

The total disturbed area is 14.6 acres, of which 10.3 acres are pre-SMCRA and 4.3 acres are post-SMCRA (page 5-67 Chap 5). The volume of topsoil and substitute topsoil material available for reclamation is as follows:

- 310 CY of substitute topsoil at the sediment pond

RECLAMATION PLAN

- 3,920 CY of substitute topsoil under the parking asphalt
- 4,500 CY of substitute topsoil in the sediment pond embankment
- 7,974 CY of topsoil and substitute topsoil at the storage site (includes 590 CY that will remain to reclaim the storage site).

Total = 16,704 CY of topsoil and substitute topsoil available to reclaim the mine site.

This would provide ten inches of topsoil over the entire site. However, the 590 CY of topsoil is dedicated for reclamation of the topsoil storage site. And 4,500 cu yds of sediment pond embankment soils will be used only to cover the 1.1 acre sediment pond (for a final topsoil depth in the sediment pond location of 2.5 ft). Thus the topsoil available to reclaim the central facilities area is 11,614 CY.

The 7,384 cubic yards stored at the topsoil storage site along with the 3,920 CY in the parking pad and the 310 CY at the sediment pond (a total of 11,614 CY) are dedicated for the 4.3 acres of post-SMCRA disturbance less the 1.25 acres of stream channel and county road. The stored topsoil would cover the 3.05 acres to a depth of twenty seven inches. However, the plan calls for one foot of topsoil (page 5-58) over the post-SMCRA area, requiring only 4,921 CY. The remaining topsoil (6,693 CY) will be applied to the pre-SMCRA disturbed area (10.3 acres less the 1.1 ac sediment pond and 0.24 acres of stream channel which equates to 8.96 acres (p 5-58). The pre-SMCRA areas will receive approximately 5-6 inches of topsoil over the 2.5 ft of graded fill (see Reclamation Plan/Backfilling and Grading above).

Findings:

The information provided meets the requirements of Topsoil Redistribution.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The cut and fill balance for pre-SMCRA areas are given in Table 5.42-1. According to this table, there is approximately 506,139 CF or 18,745 CY of excess cut within the operations area. Backfilling the portals and shafts further the volume of excess fill by 67,305 CF or 2,493 CY (Table 5.42-2). The excess fill will also be used to fill the volume currently occupied by the Soldier Creek culvert (213,427 CF or 7,904 CY, page 5-50). The volume of excess fill is thus reduced to 8,349 CY (page 5-56).

RECLAMATION PLAN

The volume of fill available increases to a total of 18,259 CY, when the fill is displaced by 9,910 CY of filter gravel and riprap during construction of the stream channel (p 5-56). In addition to this fill, there is 7,974 CY of stored topsoil and subsoil, but 590 CY will remain to reclaim the stockpile site, leaving 7,384 CY. Thus the fill and topsoil amounts to 25,643 CY (p 5-56).

There will be 25,643 CY of excess fill and topsoil redistributed over the 14.6 acre mine site (less the 1.1 acre sediment pond and less the 0.73 acre stream channel and less the 0.74 acre county road). Thus the Division calculates that the final reclamation contours will be sixteen inches above those shown on Map 5.42a. (Map 5.42a has two foot contours.)

The locations of cut/fill are shown on Map 5.42a.

Post-mining contours are shown on Map 760a.

Findings:

The information provided met the minimum requirements for this section of the R645 Coal Rules.

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

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

Analysis:

As mentioned earlier, the Permittee did not replace the maps that showed the preparation plant and refuse pile because the maps were hand drawn. Modifying the maps would require redrawing them, which is something the Permittee did not want to do. The Permittee proposed to place stickers on the maps that stated the preparation plant and refuse pile were removed from the MRP. Revised maps were re-certified.

The change at the reclamation of the main mine area involved the placement of an additional 20,000 yd³ of material. The Permittee will spread the extra material over the main mine site. The reclamation elevation increased by six inches. The change was too small to affect the contours on the reclamation maps.

Findings:

The information provided met the minimum requirements of this section of the regulations.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Determination of Bond Amount

The Division determined as part of Task # 692 that the reclamation cost estimate for the Soldier Canyon Mine must be a minimum of \$1,593,000 (2009 dollars). The Permittee posted a bond for \$1,593,000 on October 13, 2004. Therefore, the bond amount is adequate to insure that the Division could reclaim the site if the Permittee were to forfeit the bond.

The Permittee submitted updated reclamation cost estimates as part of Task # 2091. The revision of Chapter 5 itemizes the as-built volumes of topsoil and subsoil (4,414 cu yds of subsoil and 3,560 cu yds of topsoil) stored at the storage site. These volumes are used for calculating the bond, see p 5-63 and Appendix 1-A for bond calculations.

The 20 ft diameter ventilation shaft was never constructed and is not included in reclamation costs (page 5-50).

Findings:

The information in the MRP is adequate to meet the minimum requirements of the bonding and insurance regulations.