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DIVISION OF
OIL, GAS & MINING District
P. O. Box 970
Moab, Utah 84532

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3482
(SL-063011)
(U-065)

OCT - 5 1990

Mr. William R. Skaggs
P. O. Box 784
Price, Utah 84501

Dear Mr. Skaggs:

The Blue Blaze Mining Company submitted a permit application package (PAP) to the Utah Division of Oil, Gas, and Mining (DOGMA) for review and approval. A copy of the entire PAP was sent from DOGMA to the Bureau of Land Management (BLM) for an analysis of the resource recovery and protection plan (R2P2). The BLM reviews the R2P2 for completeness in accordance with regulations codified in 43 CFR 3482 and the performance standards found at 43 CFR 3484. The primary purpose of this review is to ensure maximum economic recovery (MER) of leased Federal coal. Based on this review we have determined that the mine plan is deficient with respect to the following:

1. The mine plan for the Hiawatha Seam does not address any development for Federal coal lease SL-063011 in the SW1/4 SE1/4 Sec. 8 and on SW1/4 NE1/4 Sec. 17, T. 13 S., R. 8 E. According to the isopach map minable coal can be found in these areas. Therefore, justification is required for the non-development of this Federal coal.
2. Planned development for the Hiawatha Seam in the north-western portion of Federal coal lease SL-063011 is contingent on acquisition of a State lease (SW1/4 SW1/4 Sec. 8). The BLM cannot recommend approval of a mine plan that is based on future acquisition of a coal lease and approval of a permit. Blue Blaze must adjust development and sequencing of the mine plan for this portion of the Federal coal lease so that mine workings are contained within the permit area. Furthermore, the coal in the area identified for future acquisition of a State lease belongs to the Federal government and will require acquisition of a Federal coal lease or a modification of the existing lease.
3. No justification is provided for not mining leased Federal coal in the northwestern portion of the proposed permit area (west side of the Gordon Creek Fault, Hiawatha Seam).

4 An estimate of the coal reserve base minable reserves and recoverable reserves for Federal coal lease SL-063011 is required. There are reserves presented for each seam but they are not lease specific.

5 The mine plan states that pillars will be split according to an approved plan. A sketch of typical panel recovery is required but not included.

6 No justification is provided for not columnizing the workings of the two minable seams. Although old workings exist in the area it does not preclude columnizing mains and submains in several areas.

7 Interburden and overburden maps for the minable coal seams are required but not included. In addition, the information presented on some of the geologic maps is confusing and difficult to read.

8 Blue Blaze must submit technical justification for mining the lower Hiawatha Seam prior to mining the Castlegate A Seam. This justification must show that this proposed development will not jeopardize recovery of the upper minable coal seam (Castlegate A").

9. Clarification is necessary as to why there is an inconsistency between the actual mine plans for the two minable seams and the narrative regarding projected mine development; mains sub mains panels etc. Specifically there are three submain entries projected on the mine map but a five entry system is discussed in the text.

If you have any questions please contact Brent Northrup of my staff at (801) 259-0111

Sincerely yours

/s/ WILLIAM C. STRINGER

Assistant District Manager
Mineral Resources

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Division of Oil Gas and Mining ✓
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