



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

OK

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)

May 7, 2002

Mike Glasson, Environmental Coordinator
Andalex Resources, Inc.
P.O. Box 92
Price, Utah 84501

Re: Conditional Approval of Wildcat Loadout Midterm Permit Review, Andalex Resources, Inc., Wildcat Loadout, C/007/033-MT01-2, Outgoing File

Dear Mr. Glasson:

The above-referenced amendment is conditionally approved upon receipt of two Plate 2 maps and five Plate 3 maps signed and stamped by a professional engineer, as well as updated C1 and C2 forms prepared for incorporation. Please submit these copies by May 24, 2002. Once we receive these copies, final approval will be granted, at which time you may proceed with your plans.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan. A copy of our Technical Analysis is enclosed.

If you have any questions, please call me at (801) 538-5325 or Pete Hess at (435) 613-5622.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor

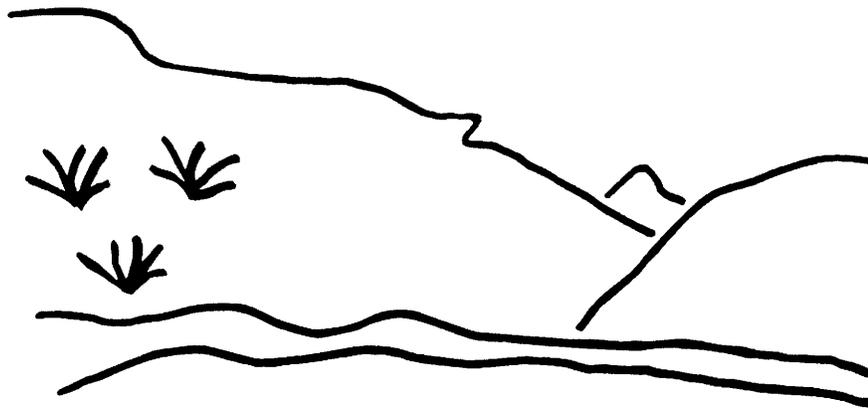
an

Enclosure

cc: Price Field Office

O:\007033.WCL\FINAL\COND01-2.DOC

State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Wildcat Loadout
Midterm Review
C/007/033-MT01-2
Technical Analysis
May 1, 2002

TABLE OF CONTENTS

INTRODUCTION..... 1
OPERATION PLAN 3
 HYDROLOGIC INFORMATION 3
 Surface-Water Monitoring 4
 Other Treatment Facilities 4
 MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS..... 6
 Mining Facilities Maps 7
RULES INDEX 9

TABLE OF CONTENTS

INTRODUCTION

TECHNICAL ANALYSIS

INTRODUCTION

The Division initiated a midterm review of the mining and reclamation plan for the Wildcat loadout facility by conducting a site visit on November 8, 2001. As a result of that visit, three deficiencies were identified within the currently approved plan; these included a deficiency relative to the missing, required parameters for the surface and ground water monitoring regimes, a deficiency relative to the several alternate sediment controls areas for the site, and a deficiency relative to maps needing revision.

The permittee responded to the Division's initial review on January 15, 2002. The Division determined that the deficiency with the surface and ground water monitoring regimes had been adequately addressed, but the new maps that had been submitted to address the other deficiencies remained inadequate.

The permittee submitted a second response on April 5, 2002, which included a revised Plate 2, Wildcat Loadout, Surface Facilities Topography (Watershed & Drainage); a revised Plate 1, Wildcat Loadout, Surface Facilities As Constructed; and a revised Plate 13, Top Soil Storage Piles, Wildcat Loadout. Plates 1 and 13 were reviewed and felt to be adequate. However, Plate 2 was still felt to be deficient in that the in-place drainage controls for the alternate sediment control areas, as well as other required map details had been made indistinguishable during the process of the second revision.

The permittee submitted a newly revised Plate 2, along with one page of revised text, and a revised Table IV-15, description of the Site's ASCA areas on April 25, 2002.

The following document records analyses and findings relative to the permittee's response(s) to the three deficiencies initially found on November 8, 2001.

Page 2
C/007/033-MT01-2
May 1, 2002

INTRODUCTION

OPERATION PLAN

OPERATION PLAN

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR 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.

Minimum Regulatory Requirements:

Surface Water Monitoring

In order to protect the hydrologic balance, underground mining activities shall be conducted according to the approved plan, and the following: surface-water quality shall be protected by handling earth materials, ground-water discharges, and runoff in a manner that minimizes the formation of acidic or toxic drainage; prevents, to the extent possible using the best technology currently available, additional contribution of suspended solids to streamflow outside the permit area; and otherwise prevent water pollution. If drainage control, restabilization and revegetation of disturbed areas, diversion of runoff, mulching, or other reclamation and remedial practices are not adequate to meet water-quality standards and effluent limitations, the operator shall use and maintain the necessary water-treatment facilities or water-quality controls. Surface-water quantity and flow rates shall be protected by handling earth materials and runoff in accordance with the steps outlined in the approved plan.

Surface-water monitoring shall be conducted according to the approved surface-water monitoring plan. The Division may require additional monitoring when necessary. Surface-water monitoring data shall be submitted every 3 months to the Division or more frequently as prescribed by the Division. Monitoring reports shall include analytical results from each sample taken during the reporting period. When the analysis of any surface-water sample indicates noncompliance with the permit conditions, the operator shall promptly notify the Division and immediately provide for any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance. Plans and hydrologic information to evaluate and mitigate the noncompliance situation and information relevant to the PHC shall be submitted to the Division as required. The reporting requirements of the water monitoring plan do not exempt the operator from meeting any National Pollutant Discharge Elimination System (NPDES) reporting requirements.

Surface-water monitoring shall proceed through mining and continue during reclamation until bond release. The Division may modify the monitoring requirements, except those required by the NPDES permitting authority, including the parameters covered and sampling frequency if the operator demonstrates, using the monitoring data obtained, that: the operation has minimized disturbance to the hydrologic balance in the permit and adjacent areas and prevented material damage to the hydrologic balance outside the permit area; water quantity and quality are suitable to support approved postmining land uses; and, monitoring is no longer necessary to achieve the purposes set forth in the approved monitoring plan.

Equipment, structures, and other devices used in conjunction with monitoring the quality and quantity of surface water onsite and offsite shall be properly installed, maintained, and operated and shall be removed by the operator when no longer needed.

Siltation Structures: Other treatment facilities

Other treatment facilities shall be designed to treat the 10-year, 24-hour precipitation even unless a lesser design event is approved by the Division based on terrain, climate, other site-specific conditions and a demonstration by the operator that the effluent limitations will be met. Other treatment facilities shall be designed, constructed and maintained accordance with the applicable requirements as described under sediment ponds.

Siltation Structures: Exemptions

Exemptions to the requirements of this section may be granted if: the disturbed drainage area within the total disturbed area is small; and, the operator demonstrates that siltation structures and alternate sediment control measures are not necessary for drainage from the disturbed drainage areas to meet effluent limitations and applicable State and Federal water-quality standards for the receiving waters.

Analysis:

Surface-Water Monitoring

During the review of water monitoring information from the third and fourth quarter of 2000, and the first quarter of 2001, it was noted that several minor problems existed with the surface and ground water monitoring regimes. The currently approved surface water-monitoring plan includes a required parameter to analyze for total manganese, but an analysis for total iron is not indicated as being required. The analysis for total iron is a parameter required by the Coal Mining Rules. Table IV-10 is unclear, in that the analyses for metals and ions (cation/anion balance) is not specifically stated as being determined using the concentrations of **dissolved** metals. The required surface water monitoring parameter list needed clarification, such that **both total and dissolved concentrations for both iron and manganese** are performed for each submitted water sample.

On January 15, 2002, the permittee submitted a response to the Division's November 23, 2001 midterm review deficiency document. That submittal contained a revised TABLE IV-4 Surface Water Baseline and Operational Water Quality Parameter List that includes the following changes:

- 1) The analysis for **total** iron has been added for both baseline and operational parameters.
- 2) The analysis for **dissolved** manganese has been added for both baseline and operational parameters.
- 3) The revised TABLE IV-10 specifically requires that "**IONS AND METALS ANALYSES ARE DISSOLVED, EXCEPT AS NOTED**".

The revisions made to TABLE IV-10 clarify and adequately address the deficiencies aired in the Division's November 23, 2001 technical analysis.

Other Treatment Facilities

Five items were identified within the Division's February 25, 2002 deficiency response that are relative to the alternate sediment control areas within the Wildcat permit area. Each will be discussed.

- 1) As noted during the November 8 inspection of the site, the berm at the east end of the south part of ASCA #1 needed to be rebuilt to establish the integrity of the sediment control for the area. This was performed by the permittee, and verified as completed during the December 20, 2001 complete inspection.

OPERATION PLAN

- 2) The Division's 02/25/2002 deficiency document noted, that based upon the 11/08/2001 field inspection, it appeared that some of the runoff from ASCA #1 was not treated by alternative methods but actually reported to a ditch which eventually reported to Sediment pond "E". **The revised Plate 2, as received on April 25, 2002 clearly shows that the pad runoff east of the Scalehouse Gate access road reports to two diversions; a full round 12-inch CMP and a half-round 12-inch CMP. These flows then report to a ditch that directs it toward Pond "E".** This deficiency has been adequately addressed.
- 3) The 02/25/2002 document indicated that straw bales and/or silt fences needed to be placed at several locations in the berm adjacent to the West side of the railroad right-of-way (ASCA#1) where small flows had breached the berm which is constructed of coal fines and other carbonaceous material. The permittee decided to repair this berm rather than install the aforementioned treatment methods.
- 4) The 02/25/2002 Division document indicated that although the field inspection revealed that all of ASCA#4 and part of ASCA #3 are treated with vegetation and straw bales, vegetation was not previously indicated as being part of the treatment in these areas. Plate 2, as submitted on April 25, has addressed this deficiency.
- 5) The 02/25/2002 Division document indicated that the permittee should consider changing the treatment method for that portion of ASCA #5 which is west of the two-bermed topsoil storage piles to vegetation only, thus the requirement for the permittee to maintain the large amount of straw bales in this area (current partial method of treatment) would no longer be needed. The permittee recently installed a second row of straw bales along the permit boundary (SW edge) prior to the September 25 complete inspection. No hydrologic evaluation verifying that the vegetation in the area is adequate, as sediment control has been submitted. The revised Plate 2, as submitted on April 25, 2002, indicates that the methods used to treat runoff in the area of ASCA #5 are berms, straw bales, and vegetation. This deficiency has been adequately addressed and no change has been submitted to the currently approved plan.

The revised Plate 2, as submitted on April 25, 2002, has had the intense cross-hatching that had previously been used to delineate the ASCA areas (but which made surface contours and treatment methods indistinguishable) removed. Berms are well defined in most areas, or are indicated under "CONTROL" in the ASCA Areas description. Mr. Dan Guy, Utah registered professional engineer, certified Plate 2 as being correct on 04/24/2002. Plate 2 adequately addresses the requirements of R645-301-742.200.

The permittee has submitted, as part of revised information received on April 25, 2002, a revised page of text (page 146) and a revised TABLE IV-15, ASCA, (page 147) which gives a

OPERATION PLAN

detailed description of all seven of the alternate sediment control areas within the Wildcat disturbed area. This description includes the acreage for each of the seven areas, the calculated runoff volumes for the 10 year 24 hour event, and the methods used to treat this volume. This revised Table indicates that acreages of the seven ASCA areas combined summate to 17.51 acres. These acreages agree with the acreages depicted on Plate 2. The total acreage described on page 146 agrees with the acreage figures on TABLE IV-15, (page 147).

Findings:

The requirements of R645-301-731.211, -221, and -222.1 have been adequately addressed.

The requirements of the R645 coal rules, as they relate to alternate sediment control areas have been adequately addressed.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

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

Minimum Regulatory Requirements:

Each application shall contain maps, plans, and cross sections which show the mining activities to be conducted, the lands to be affected throughout the operation, and any change in a facility or feature to be caused by the proposed operations, if the facility or feature was shown and described as an existing structure.

The following shall be shown for the proposed permit area:

Mining facilities maps

Location of each facility used in conjunction with mining operations. Such structures and facilities shall include, but not be limited to: buildings, utility corridors, roads, and facilities to be used in mining and reclamation operations or by others within the permit area; each coal storage, cleaning, and loading area; each topsoil, spoil, coal preparation waste, underground development waste, and noncoal waste storage area; each water diversion, collection, conveyance, treatment, storage and discharge facility; each source of waste and each waste disposal facility relating to coal processing or pollution control; each facility to be used to protect and enhance fish and wildlife related environmental values; each explosives storage and handling facility; location of each sedimentation pond, permanent water impoundment, coal processing waste bank, and coal processing water dam and embankment, and disposal areas for underground development waste and excess spoil; and, each plan or profile, at cross sections specified by the Division, of the anticipated surface configuration to be achieved for the affected areas during mining operations.

Certification Requirements

Cross sections, maps, and plans required to show the design, location, elevation, or horizontal or vertical extent of the land surface or of a structure or facility used to conduct mining and reclamation operations shall be prepared by, or under the direction of, and certified by a qualified, registered, professional engineer, a professional geologist, or in any State which authorizes land surveyors to prepare and certify such cross sections, maps, and plans, a qualified, registered, professional land surveyor, with assistance from experts in related fields such as landscape architecture.

Each detailed design plan for an impounding structure that meets or exceeds the size or other criteria of the Mine Safety and Health Administration, 30 CFR Section 77.216(a) shall: be prepared by, or under the direction of, and certified by a qualified registered professional engineer with assistance from experts in related fields such as geology, land surveying, and landscape architecture; include any geotechnical investigation, design, and construction requirements for the structure; describe the operation and maintenance requirements for each structure; and, describe the timetable and plans to remove each structure, if appropriate.

Each detailed design plan for an impounding structure that does not meet the size or other criteria of 30 CFR Section

OPERATION PLAN

77.216(a) shall: be prepared by, or under the direction of, and certified by a qualified, registered, professional engineer, or in any State which authorizes land surveyors to prepare and certify such plans, a qualified, registered, professional land surveyor, except that all coal processing waste dams and embankments shall be certified by a qualified, registered, professional engineer; include any design and construction requirements for the structure, including any required geotechnical information; describe the operation and maintenance requirements for each structure; and, describe the timetable and plans to remove each structure, if appropriate.

Analysis:

Mining Facilities Maps

The permittee has submitted revised and updated versions of Plate 1, Wildcat Loadout, Surface Facilities As Constructed; Plate 2, Wildcat Loadout, Surface Facilities Topography (Water shed & Drainage)(latest revision received 04/25/2002); and Plate 13, Topsoil Storage Piles, Wildcat Loadout. Plate 2 accurately describes the areas that report to sediment ponds, as well as the areas that utilize alternate sediment control methods. Areas which are designated ASCA's have the in-place treatments either depicted by the Plate 2 drawing, or are designated at the lower portion of same. Runoff volumes and acreages for the 10 year 24 hour event are included. These numbers correlate with those depicted within the text (revised as part of this midterm review process) and appear to be accurate.

The disturbed area boundary on Plates 1 and 2 has been revised to include the revegetation reference area on the southeast corner of the permit area. The roads that access numerous coal bed methane wells in the area have also been depicted.

All Plates have been P.E. certified by Mr. Dan Guy, Utah registered professional engineer.

Due to time constrictions and other workload, the remaining plates in the Wildcat mining and reclamation plan have not been reviewed for accuracy and completeness.

Findings:

Plates 1, 2, and 13 meet the requirements of the R645 coal rules for accuracy and certification.

RULES INDEX

30 CFR

773.17.....	3
774.13.....	3
784.14.....	3
784.16.....	3
784.23.....	6
784.29.....	3
817.41.....	3
817.42.....	3
817.43.....	3
817.45.....	3
817.49.....	3
817.56.....	3
817.57.....	3

R645-

300-140	3
300-141	3
300-142	3
300-143	3
300-144	3
300-145	3
300-146	3
300-147	3
300-148	3
301-512	3, 6
301-514	3
301-521	3, 6
301-531	3
301-532	3
301-533	3
301-536	3
301-542	3, 6
301-632	6
301-720	3
301-731	3, 6
301-732	3
301-733	3
301-742	3
301-743	3
301-750	3
301-761	3
301-764	3
302-323	6