

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

February 9, 2005

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: Priscilla Burton, Environmental Scientist III/Soils and Team Lead.

RE: MRP Rewrite, Andalex Resources, Inc, Tower Division. Wildcat Loadout, C/007/0033, Task ID #2089.

SUMMARY:

The site of the Wildcat Loadout is found on the "Standardville" U.S. Geological Survey 7.5 minute quadrangle map in Township 13 South, Range 9 East, Section 33 (see also Figure 1, Section 2). The site is located three miles west of highway 6 on the Consumer's Road, within a BLM Right of Way granted in 1992. Andalex has held the permit for the Wildcat Loadout since 1985. The permit area covers 100.19 acres of which 60.9 acres are disturbed and 12.5 acres are under lease to the Utah Railway by the BLM (Section 2, page 1-2 and Section 4, pg 3-4). Effective May 1994, Exhibit A of the permit describes a bonded area of 63.7 acres.

This submittal revises Plates 1 (Surface Facilities), 2 ((Surface Facilities Topography), 13 (Top Soil Storage Piles), Appendix B (including the bond calculations) and re-organizes the text of the MRP with the following change: the facility can now handle 5.5 million tons per year through-put of coal (Section 1, pg 1-23). In this review, I have compared the existing and revised text for consistency and made the following recommendations:

- Section 2, Legal and Financial, needs to be updated with current ownership and control information as well as current violation information. As per information provided to Mr. Glasson on January 25, 2005.
- Information on prevailing winds was omitted from the plan in the revision and should be re-inserted.
- The Addendum to Appendix D, a soil survey conducted under the direction of Mr. James Nyenhuis for Mt. Nebo Scientific in March 2003, should be included in the application as it provides valuable information on soil within the permit area
- Provide in Appendix D the refuse analyses referenced in Section 8 R645-301-711.100 Groundwater Monitoring page 7-4. (These analyses were included in the 1994 Annual Report.)

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- The narrative (R645-301-212, p 2-3) should account for the volume of all stockpiles currently in existence on site: A, B, E, & F, rather than accounting for stockpiles that previously existed on site (A, B, C, D, E).
- Include in the application the quantity of coal preparation waste stored on site in the coal preparation storage area and in fills.
- The application must account for the existing acreage of storage piles on site and the existing miles of haul roads.
- The graded surface should not be compacted as indicated in the reclamation plan, rather the last lifts should be loosely applied, such that a four foot rooting zone is achieved.
- Test plots indicate that the gouging method is superior than discing for vegetation establishment. The site should be gouged after grading.

This submittal is problematic because it has an entry for each regulation. This has resulted in an unwieldy document that has a 50 page table of contents and numerous “N/A” or “See R645-301-xxx” entries. For instance section headings refer to a previous information, as in:

R645-301-320 .
ENVIRONMENTAL DESCRIPTION
See R645-301-310 .

R645-301-342 .
FISH AND WILDLIFE
See R645-301-310 .

Nowhere in Section R645-301-310 is the information identified as pertinent to the above subheadings, therefore, the reader is not aided by this reformatting effort.

For another example of the Division’s frustration with the reformatted plan look at Chapter 8, where every regulation cited has N/A or see Appendix B beneath. There are 18 pages in this chapter that has less than ½ a page of writing in it. This is tedious for reviewers and an unacceptable format.

During Task 1911 review, the Division attempted through the use of R645-301-121.200 to convey that the organization of the information was less than helpful to the reader. The organization of the information has not changed with this submittal.

The plan seems to indicate (p 2-7) that the revegetation test plot areas A – D represent the whole of the disturbed area. Thus, when 73,000 cu yds are moved (Table II) during grading, whatever material winds up on the surface will be suitable for reclamation. The Division should to wait for the results of the 2005 quantitative information from the revegetation test plots before commenting on this reclamation plan.

TECHNICAL ANALYSIS:

**REQUIREMENTS FOR PERMITS FOR SPECIAL
CATEGORIES OF MINING**

**COAL PREPARATION PLANTS NOT LOCATED WITHIN THE PERMIT
AREA OF A MINE**

Regulatory Reference: 30 CFR Sec. 785.21, 827; R645-302-110, R645-302-260, et seq.

Analysis:

As outlined in the subsequent sections of this technical analysis, the application was reviewed under the Utah Rules for Coal Processing Plants Not Located Within the Permit Area of a Mine, **R645-302-260**. All provisions of R645-300 and R645-301 apply to this category of mining unless otherwise specified under R645-302.

Findings:

As discussed in this Technical Analysis, the information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. The Division's Findings are outlined under the R645-301 headings that follow.

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

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

Analysis:

The Resident Agent, Michael Glasson, is identified as the Resident Agent for the Wildcat Loadout (C/007/033) in Section R645-301-112.200 page 1-5.

The application indicates in Section 1, p. 1-6 that Andalex Resources Inc. is 100% owned and controlled by Prospect Holdings S.A. However, correspondence on file with the Division dated August 26, 2002 and December 18, 2003 was provided to Mr. Glasson on January 25, 2005, illustrating that Andalex Resources Inc., is owned by Andalex Hungary, Ltd.; Andalex Hungary, Ltd. is owned by Andalex Investments BV; Andalex Investments BV is owned by

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Misland (Cyprus) Investments Limited and A&A investments Ltd.; and A&A Investments Ltd is owned by the Mitchell Green Family Trust.

As a result of the above, changes to the principal shareholders listed under R645-301-112.300 and R645-301-112.320 are necessary and must include

- Ownership or control relationship to the applicant
- Percentage ownership
- Location in the organizational structure
- Addresses of the corporations within organizational structure
- Principal shareholders of all the above corporations.

Andalex Resources, Inc., Tower Division is affiliated with the following United States coal mining operations (p 1-7):

1. Andalex Resources, Inc., the Cimarron Division;
2. Andalex Resources, Inc., Little Creek Division;
3. AMCA Coal Leasing, Inc.; and
4. West Ken Coal Corporation.

Section 1, page 1-5 of the MRP lists present and past corporate personnel of Andalex Resources, Inc.; 45 West 10000 South; Sandy, UT 84070. The employer identification number is provided in Section 1, page 1-7

Legal and financial information provided in the application must include any coal mining and reclamation operation owned or controlled by either the applicant or by any person who owns or controls the applicant. Correspondence in the Division files dated December 18, 2003 confirms that Andalex Resources Inc. Tower Division also operates the Centennial Mine (007019) and has a connection with Genwal Resources, Inc. (Crandall Canyon Mine) and West Ridge Resources, Inc. (Westridge Mine). However only Genwal and West Ridge have been noted in the MRP (p 1-7).

Findings

The information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. Prior to approval, the Permittee must provide the following, in accordance with:

R645-302-263 and R645-301-112.300, (1) Changes to the principal shareholders of Andalex Resources, Inc. listed under R645-301-112.300 and R645-301-112.320 is necessary as detailed in correspondence on file with the Division dated August 26, 2002 and December 18, 2003 wherein ownership of Andalex Resources, Inc is through multiple parent companies, including:

- Ownership or control relationship to the applicant

- Percentage ownership
- Location in the organizational structure
- Addresses of the corporations within organizational structure
- Principal shareholders of all the above corporations.
- Ownership and control information must include officers and directors

R645-302-263 and R645-301-112.400, Legal and financial information provided in the application must include any coal mining and reclamation operation owned or controlled by either the applicant or by any person who owns or controls the applicant. i.e Although Genwal and WestRidge were noted on p. 1-7, the percentage ownership by Andalex in these mine operations was not noted and the ownership information for Centennial Mine must be mentioned as well.

VIOLATION INFORMATION

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

Analysis:

Violation information (years 2001 – 2004) for Utah Coal Mines held by Andalex Resources, Inc. Tower Division and affiliates is found in Appendix B. This list does not include affiliated mines in other states.

The MRP indicates that neither Andalex Resources, Inc. Tower Division nor its affiliates have had a permit revoked or suspended in the last five years or a bond forfeited. An Applicant Violator System check on May 4, 2004 indicated that there were there were no outstanding NOV's or CO's or any bond forfeitures of sites associated with the Andalex Resources, Inc. Tower Division (permit renewal document dated 5/5/2004, Outgoing 0012.pdf), but the Division should check the AVS system for the United States affiliates of Andalex Resources, Inc. Tower Division as listed on page 1-9 of the submittal.

Findings:

An Applicant Violator System check on May 4, 2004 indicated that there were there were no outstanding NOV's or CO's or any bond forfeitures of sites associated with the Andalex Resources, Inc. Tower Division (permit renewal document dated 5/5/2004, Outgoing 0012.pdf), but the Division should check the AVS system for the United States affiliates of Andalex Resources, Inc. Tower Division as listed on page 1-7 of the submittal.

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The information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. Prior to approval, the Permittee must provide the following, in accordance with:

R645-302-263 and R645-301-113.300, Although the application includes a listing of all violations received within the last three years prior to the date of this application (April 8, 2004) by Utah mines under the control of Andalex Resources, Inc. Tower Division, the plan must also include any unabated violations or cessation orders written to **affiliated companies within, the United States** or alternatively, the Permittee may state in the application that there have been no violations incurred by Andalex Resources, Inc. Tower Division and no unabated violations or cessation orders to **affiliated companies, within the United States**, during the three years preceding the date of the current application (April 8, 2004).

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

The permit area comprises 100.19 acres, of which 12.5 acres are under a right of way agreement between the Utah Railway and the Bureau of Land Management (p1-22). The remaining acreage (approximately 87.5 acres) is BLM land utilized under Right of Way agreement (U-48027 and U-52810) authorized by the Federal Land Policy and Management Act of 1976 which has been in effect since 1982 (p.1-13 and Appendix B).

An Agreement between Andalex Resources, Inc. and Beaver Creek Coal Co. has been in effect since 1988 (Appendix B).

A surface lease agreement with the Utah Railway has been in place since 1981 (Appendix B).

Findings:

The information provided meets the requirements of the Right of Entry Regulations.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

Lands designated unsuitable are defined in 30 CFR 761.11 as lands within National Parks, Wildlife Refuge Systems, National System of Trails, National Wilderness Preservation System, Wild and Scenic Rivers System, National Recreation Areas, National Forest, National Historic Register of Historic Places, or within 100' of a public road (excepting the intersection with a mine haul road); within 300 ft of an occupied dwelling, public park, school, church or any public building; within 100' of a cemetery.

Section 1, page 1-13 indicates that the land within the permit area is not unsuitable for due to any of the above reasons. The land is owned by the federal government and managed by the Bureau of Land Management (BLM). The land has been historically used for a wash plant and loading facility (page 1-24). The operation is 100 ft distant from the County Road.

The 60.9 acre disturbed area (pg 3-4) for the Wildcat site is shown on Plate 1. The permit area is shown on Figure I-1.

Findings:

The information provided meets the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine.

PERMIT TERM

Regulatory References: 30 CFR 778.17; R645-301-116.

Analysis:

Andalex Resources, Inc. was issued a permanent program permit for this site on May 5, 1989, which was successively renewed on May 5, 1994 and May 5, 1999 and May 5, 2004. The current permit expires May 5, 2009 (Appendix B).

The permit area comprises 100.19 acres, of which 12.5 acres are under a right of way agreement between the Utah Railway and the Bureau of Land Management (Section 2, pg 1-2). The remaining acreage (approximately 87.5 acres) is also BLM land, utilized under Right of Way agreements U-48027 and U-52810. There are 60.9 acres within the disturbed area. Most of those acres are pre-SMCRA (although the actual figure is not specified) (Section 4, pg 3-4), although no differentiation is made in the application for the reclamation of these lands (Section 2, pg 1-25).

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Effective May 1994, Exhibit A of the permit describes a surface disturbance of 63.7 acres.

Findings:

Andalex Resources Inc. holds a valid State of Utah mining permit that expires May 5, 2009.

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

The Office of Surface Mining determined that this action does not constitute a mining plan revision (letter dated May 24, 2004). The application received on April 8, 2004 is a reorganization of the existing mining and reclamation plan and does not require public notice. Public comment on the permit renewal for the Wildcat Loadout was sought through legal notice in the Sun Advocate during the month of February 2004.

Findings:

Public notice is not required for this submittal.

PERMIT APPLICATION FORMAT AND CONTENTS

Regulatory Reference: 30 CFR 777.11; R645-301-120.

Analysis:

This submittal is problematic because it has an entry for each regulation. This has resulted in an unwieldy document that has a 50 page table of contents and numerous "N/A" or "See R645-301-xxx" entries. For instance many section headings refer to previous information, as in:

R645-301-320 .
ENVIRONMENTAL DESCRIPTION
See R645-301-310 .

R645-301-342 .
FISH AND WILDLIFE
See R645-301-310 .

Nowhere in Section R645-301-310 is the information identified as pertinent to the above subheadings, therefore, the reader is not aided by this reformatting effort.

For another example of the Division's frustration with the reformatted plan look at Chapter 8, where every regulation cited has N/A or see Appendix B beneath. There are 18 pages in Chapter 8 that has less than ½ a page of writing in it. This is tedious for reviewers and an unacceptable format.

During Task 1911 review, the Division attempted through the use of R645-301-121.200 that the organization of the information was less than helpful to the reader. The organization of the information has not changed with this submittal.

A new table of contents has been provided for Appendix B, however, the January 5, 2000 Air Quality Approval Order DAQE-005-00 (AO) was incorporated into the plan on July 1, 2004, but was not included in Appendix B.

However, the revision of Plate 1 received on December 16, 2005 does not show any revegetation test plot locations, but should according the narrative on page 2-7.

The Topsoil Pile Summary on page 2-3 is not clear. Please clearly indicate that there are four stockpiles on the site (A, B, E, and F) and list the volume in each stockpile and the total volume.

Correct the incomplete sentence at bottom of page 2-2 beginning with "Andalex suggests.."

Findings:

The information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. Prior to approval, the Permittee must provide the following, in accordance with:

- R645-302-263 and R645-301-121.120**, (1) Appendix B should include the January 5, 2000 Air Quality Approval Order DAQE-005-00 (AO) that was incorporated into the plan on July 1, 2004. (2) The revised Plate 1 received on 12/16/2005 must include revegetation test plot locations A, B, C, D and new test plot adjacent to topsoil pile E. (3) Correct the incomplete sentence at bottom of page 2-2 beginning with "Andalex suggests.."(4) **Clearly indicate in the Topsoil Pile Summary on page 2-3 that there are four stockpiles on the site (A, B, E, and F)** and list the volume in each stockpile and the total volume. (5) All revised plates must be provided in digital format with at least four grid points identified. (6) The disturbed are provided on page 1-2 conflicts with that given on page 1-22

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REPORTING OF TECHNICAL DATA

Regulatory Reference: 30 CFR 777.13; R645-301-130.

Analysis:

Individuals and firms that contributed to the mining and reclamation plan are listed in Section 2, R645-301-130.

Findings:

The information provided meets the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine.

ENVIRONMENTAL RESOURCE INFORMATION

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

PERMIT AREA

Regulatory Requirements: 30 CFR 783.12; R645-301-521.

Analysis:

The site is on federal land managed by the Bureau of Land Management. The permit area covers 100.19 acres of which 12.5 acres of land under lease to the Utah Railway by the BLM (Section 2, page 1-2) and 60.94 are within the disturbed area boundary. Twenty-acres have been disturbed by Andalex and the remaining acreage was either previously disturbed or is within an undisturbed ASCA (Section 4, pg 3-4).

Exhibit A Surface Disturbance included in the 1989, 1994 and 2004 Permits which indicates 63.7 acres of disturbance within the bonded area. Section R645-301-240, page 2-22 and Plate 9 indicate 60.94 acres will be reseeded.

Findings:

The information provided meets the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine.

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:

Soil Resources are described in Section 3 of the MRP. Appendix D contains the Soil Survey information for the site as well as the topsoil mass balance and soil chemistry information. Plate 11 provides a Soil Conservation Service Order III soil survey. Plate 13 summarizes topsoil storage.

The Carbon County soil survey classifies the undisturbed soils in the Wildcat area as Map Unit 52, Hernandez family 3-8% slopes. These deep soils can supply a lot more than six or twelve inches of topsoil.

The Wildcat soil was described twenty years ago by Earl Jensen, retired soil scientist with the NRCS. (The location for his pit is generally given as the intersection of the Gordon Creek road and Utah Railroad.) He classified the soil as fine loamy mixed mesic Ustollic Calcorthids with a map unit name of Abra loam. He indicated that there was 60 inches of available topsoil. He also indicated that there was a layer of calcium carbonate accumulation from 9 – 12 inches. And that adjacent soils did not have this layer of accumulation. The Abra loam is an official series name on the NRCS soil survey web site <http://wwwsoils.usda.gov> go into classification and official series descriptions, view by series names. The NRCS changed the classification of this series to fine loamy, superactive, mesic, Ustic Haplocalcid. The “superactive” designation pertains to the ratio of the electrical conductivity and the percent clay. There can be a calcic horizon in the soil.

The 1988 SCS soil survey for Carbon County maps the soils of the site as the Hernandez Series (Map Unit 55) and classifies the soils as fine-loamy, mixed, superactive, mesic Ustic Haplocalcid (similar to the Abra loam, described above). This is a deep soil that is capable of high production if an adequate amount of water is supplied.

Substitute topsoil has also been evaluated in four fill slopes of the site through the use of test plots described in Appendix N. These plots were installed in 1989 (Plate 1) and evaluated by Patrick Collins, PhD, of Mt. Nebo Scientific Research & Consulting in 1991. Mr. Collins reported that the plots were dominated by Russian thistle (*Salsola iberica*) and summer cypress (*Kochia scoparia*) weeds, with the exception of spoil plot B that contained a sizeable community of Western wheatgrass (*Agropyron smithii*) and Indian ricegrass (*Oryzopsis hymenoides*). The plots will be re-evaluated in the summer of 2005.

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The Wildcat site currently has a deficit of 32,000 cu yds of topsoil to achieve the goal of six inches topsoil replacement depth over the 61 acres (Section R645-301-224, pg 2-5 and R645-301-240 "Soil Testing and Preparation" pg 2-22). The plan seems to indicate (p 2-7) that the revegetation test plot areas A – D represent the whole of the disturbed area. Thus, when 73,000 cu yds are moved (Table II) during grading, whatever material winds up on the surface will be suitable for reclamation. Although on page 2-20 and 2-21, the plan indicates that areas of substitute topsoil (that were sampled to a depth of 4 feet) will be carefully outlined on Plate 1 and volumes will be calculated to arrive at the needed 32,000 cu yds. The Division prefers to wait for the results of the 2005 quantitative information from the revegetation testplots before commenting on this reclamation plan.

Information on file with the Division (2003 Incoming Amendment folder) includes an Addendum to Appendix D, a soil survey conducted under the direction of Mr. James Nyenhuis for Mt. Nebo Scientific in March 2003. This amendment was subsequently withdrawn, and so the information is not in the MRP. However, the information collected substantiates a twenty four inch soil salvage depth in future expansions and the use of subsoils to be collected as needed to cover the coal mine waste at reclamation. This soil survey provides valuable information on substitute topsoils and should be included in the Soils Resource Information regardless of whether the expansion takes place at the site.

Findings:

The information provided will be supplemented with quantitative information gathered in the summer of 2005 from the substitute topsoil revegetation test plots to meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. A soil survey conducted under the direction of Mr. James Nyenhuis for Mt. Nebo Scientific in March 2003, should be included in the application as it provides valuable information on soils within the permit area.

ALLUVIAL VALLEY FLOORS

Regulatory Reference: 30 CFR 785.19; 30 CFR 822; R645-302-320.

Analysis:

Alluvial Valley Floor Determination

Geology information is found in Section 7. Hydrology is found in Section 8. No new information has been presented.

Findings:

The Division previously determined in the May 5, 1989 Technical Analysis of the Wildcat Loadout that no alluvial valley floors exist within or in close proximity to the proposed permit area.

PRIME FARMLAND

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

Analysis:

There has been no change in the status of prime farmland. Appendix D contains a determination from the Soil Conservation Service in 1988. Although the Carbon County soil survey classifies the undisturbed soils in the Wildcat area as Map Unit 52, Hernandez family 3-8% slopes (a prime farmland soil), there is no water source within the permit area (Section 8).

Findings:

The Division is in agreement with the Soil Conservation Service that there are no important farmlands in the permit area.

OPERATION PLAN

AIR POLLUTION CONTROL PLAN

Regulatory Reference: 30 CFR 784.26, 817.95; R645-301-244, -301-420.

Analysis:

The January 5, 2000 Air Quality Approval Order (DAQE-005-00) is found in Appendix B as noted in Section R645-301-420 Air Quality. The AO is predicated on Andalex Resources, Inc. operating according to the Notice of Intent submitted to the DAQ on May 14, 1999, and additional information submitted to the DAQ on October 22, 1999. This AO replaces the AO dated October 25, 1996 (DAQE-998-96).

The following equipment was approved with AO DAQE-005-00:

- Three below ground hoppers equipped with water sprays for truck unloading.

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- Two coal crushers rated at 250 Tons/hr and enclosed as per condition #9
- Three sets of screens, each set rated at 500 Tons/hr
- Three radial stackers
- One under-pile reclaim system (conveyor)
- Railcar loadout consisting of a tower and an extendable chute for loading railcars
- Associated stockpiles
- Associated conveyors, covered as per condition #9.
- Associated mobile equipment.
- 0.21 miles of haul road, posted speed limit 5 mph, as per General Condition #11.

The requirements of the AO include:

- annual training of employees;
- control of disturbed or stripped areas through treatment (condition #12);
- maintenance of 4.0% moisture content of the fines (by weight) (condition #14);
- total combined area of all stockpiles not to exceed 16.5 acres (condition #15)
- watering storage piles, as conditions warrant (condition #15);
- visible emissions limits (20% opacity);
- application of water sprays or chemical treatment to areas used by mobile equipment and haul roads (condition #10)
- maintenance of the surface of unpaved roads and pad areas in a damp/moist condition (condition #10);
- a production limit of **5,000,000 tons of coal** per rolling 12 month period (condition #7);
- a consumption limit of 80,000 gallons of diesel fuel per rolling 12 month period (condition #7);
- use of #1 or #2 diesel fuel oil only (condition #16); and
- sulfur content of fuel oil or diesel is not to exceed 0.5% by weight (condition #17).

Section R645-301-423.200 also refers to Appendix B for the fugitive dust control plan. The only dust control plan noted in Appendix B is the Air Quality Order described above, which relies upon the application of moisture to stockpiles and open disturbed areas as well as a limited haul road length and vehicle speed to control fugitive dust. The fugitive dust control must be applied when monitoring indicates greater than 20% opacity. Monitoring is the responsibility of the Permittee.

Control of fugitive dust between Sediment ponds A and B will be via straw berms along the road way (R645-301-420, p 4-8). Coal fines or fugitive dust have accumulated to depths greater than three inches in this area on undisturbed soils (Patrick Collins report March 2003, Division Incoming Amendment Folder record 0001). These coal fines may be from any one of

the six existing stockpiles on site that contain coal from Genwal and West Ridge Mines. The plan indicates in Section R645-301-212, page 2-4 that coal fines will be vacuumed if deemed necessary. Vacuuming has been found to be very disruptive to undisturbed soils and is in itself a disturbance. The Permittee is encouraged closely monitor the wind blown coal fine deposition on adjacent undisturbed soils and use moisture on the stockpile(s) to reduce fugitive dust as well as water sprays or chemical treatment on areas used by mobile equipment and haul roads (condition #10) as required by the January 5, 2000 Approval Order (DAQE-005-00) General Condition #15.

Revised Plate 1 does not identify primary or secondary roads on the site. Previously there were 10 haul roads designated PR1 – 10, where now there is only PR1.

Findings:

The information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. Prior to approval, the Permittee must provide the following, in accordance with:

R645-302-263 and 645-301-422, (1) The application must account for the existing acreage of storage piles on site in the narrative (2) Plate 1 must identify all roads as primary or secondary.

TOPSOIL AND SUBSOIL

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

Analysis:

Topsoil Removal and Storage

Topsoil was salvaged from 20 acres of the site in **1984** and placed in the topsoil stockpiles (Plates, 1 and 13). Stockpiles were consolidated in 1994 and pile B now contains all of the soil formerly in B, C, and D. Relocated stockpile B was seeded in the fall of 1994 and now contains 285,810 cu yds. Grab samples were taken from stockpiled soil in 1988 (R645-301-212, pg 2-2 and Appendix D). This analytical information provides valuable information on the quality of the pre-existing surface soil. Topsoil has not been salvaged from the ASCA areas shown on Plate 2 (p. 2-2).

The topsoil was reseeded in 1989 and 1990 (1989 Correspondence folders, memo from Henry Sauer dated April 25, 1989 and January 23, 1990) using a modified interim mix (memo from Lynn Kunzler dated November 17, 1989).

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Section 3, page 2-3 describes transfer of topsoil piles B, C, and D to the west side of Wildcat for protection against wind blown coal fines (in 1994). The transferred topsoil was collectively designated topsoil stockpile B and placed adjacent to existing topsoil stockpile E. The stockpile was seeded in 1994 with an interim seed mix described on page 2-3. The ground exposed by removal of the stockpiles B, C, D was drill seeded with the mixture described on page 2-3. **New topsoil pile B was reseeded in December 2002. Topsoil A was recently reseeded in June 2002 (see inspection reports).**

The existing stockpiles are located on the west, south and north perimeters of the disturbed area. The prevailing winds are from west to east. Topsoil piles E and B are upwind of the site. Topsoil Pile A is located southeast of the coal stockpile and may be affected by wind blow coal fines. Plate 13 illustrates the existing topsoil storage piles. It has been certified as accurate by Dan Guy, a Professional Engineer. Plate 13 indicates that there is a total of 17,000 cu yds available for reclamation.

Coal fines or fugitive dust have accumulated to depths greater than three inches on adjacent, undisturbed soils within the permit area (Patrick Collins report March 2003 included with submittal AM03A). These coal fines may be from any one of the six existing stockpiles on site that contain coal from Genwal and West Ridge Mines. The plan indicates in Section 3, page 2-4 that coal fines will be vacuumed if deemed necessary. Vacuuming has been found to be very disruptive to undisturbed soils and is in itself a disturbance. The Permittee is encouraged to closely monitor the wind blown coal fine deposition and use moisture on the stockpile(s) to reduce fugitive dust as required by the January 5, 2000 Approval Order (DAQE-005-00) General Condition #15.

Topsoil Substitutes and Supplements

Stipulation UMC 817.22-(1)-(HS) of the 1989 Technical Analysis required the Permittee to establish test plots to determine the suitability of the fill as substitute topsoil. The Permittee established four plots in 1989 for this purpose (Section 3, R645-301-224).

Revegetation test plots A, B, C, D, established in 1989 on fill slopes, should be located on Plate 1 (p. 2-7), see deficiency written under R645-301-121.200. The information in the files and the MRP appendices D and N reveals the following:

- Spoil samples from the four plots were analyzed by Utah State University Plant & Water Analysis Lab in December 1988, analyses were received by the Division on February 15, 1989 (Incoming File).
- Spoil plots were ripped to a depth of six inches and 1 Ton/acre alfalfa hay was incorporated to the same depth (MRP Appendix D), this tilling and mulching with

- straw was confirmed by Division Inspection Reports dated November 2, 1989 and December 19, 1989.
- Spoil plots may have been left rough with pitting (MRP, Appendix D) and may have been fertilized with 40 lbs K₂O; 60 lbs P₂O₅; and 60 lbs N (as Urea: ½ in Fall of 1989 and ½ in Spring of 1990 (MRP, Appendix D).
 - Spoil plots were hand broadcast with a **modified** interim seed mix (December 19, 1989b Inspection Report). The approved modification was to delete Needle and Thread Grass and all shrub species and to include *Elymus cinereus* Basin Wildrye (3 lbs/acre) and *Agropyron trachycaulum* Slender wheatgrass (2.5 lbs/ac) (Lynn Kunzler, Memo to file dated November 17, 1989).
 - The MRP describes in Appendix D a monitoring program for the spoil plots. The plots were to have been monitored in years 1, 2, 3, 5, 9, and 10.
 - Spoil plots were surveyed in 1991, two years after seeding, by Patrick Collins (Appendix N). No further monitoring was conducted. **One more quantitative evaluation of the fill slope test plots A, B, C, D will be conducted in the summer of 2005.**

The 1991 survey report (1991, Appendix N) shows that all the plots were weedy and many of the seeded species were not present. Plot B showed the most positive result with 30% of its 52% cover attributed to the seeded grasses. Plot B is near the substation, east of the railroad tracks. The Division biologist (Jerriann Ernstsén) briefly examined Plot B during a field visit (January 30, 2003) and the plot is still dominated by grasses (species unidentified) and without shrubs.

1988 samples of the spoils that were taken in six inch depth increments shed some light on the success of spoil plot B vegetation. Spoil plot B soils are loam in texture with pH values between 8.0 and 8.3, Electrical Conductivity values between 3.3 mmhos/cm decreasing to 0.9 mmhos/cm in the profile; and Sodium Adsorption Ratio (SAR) values from 1.3 falling to 0.4 within the profile. Spoil Plot B had the most desirable characteristics of the spoils sampled. Although spoil Plot A soils were also low in SAR, they were more sandy and would have had less water holding ability in the drought years after the seeding, described by Mr. Collins 1991 survey. Spoil Plots D and E both are loam texture, but have EC values increasing down the profile to a high value of 4.0 mmhos/cm for spoil D and 3.0 for spoil E. The SAR values for spoil plots D & E are correspondingly high (from 2.8 to 6.6 for spoil D and from 1.6 to 8.5 for spoil E).

In addition to the spoil plots, there were four topsoil testplots were established on the new topsoil pile B (p. 2-8), as part of the commitment stated on page 2-8 of the original plan to implement test plots if the spoil plots were unsuccessful. These test plots were seeded in the fall of 1994 and evaluated once in 1997 and will not be revisited. Mr. Glasson provided the Division with a copy of the 1997 evaluation of these test plots (incoming folder 3/11/03). . The test plots

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were eliminated in 2000, when the surface of the new topsoil pile B was reseeded. The treatments on these test plots were

- irrigation vs. no irrigation;
- incorporation of 3 to 4 tons alfalfa hay vs 1 ton alfalfa hay;
- 1 ton alfalfa hay incorporated and 1.5 tons straw anchored with netting vs. 1 ton alfalfa hay incorporated and 1.5 tons oat or barley straw anchored with mesh and staples.

According to Patrick Collins in his July 1997 Evaluation of the Test Plots (Division 2003 Incoming Record 0001), two and ½ years after seeding:

- Excluding forbs which were all weedy, the percent cover ranged from 38.75% to 43.33%.
- Seeded *Kochia prostrata* (prostrate kochia) and *Agropyron cristatum* (Fairway crested wheatgrass) accounted for most of the cover.
- Mulch incorporation at 3 – 4 Tons/ac greatly increased establishment of *Kochia prostrata* (a woody shrub) at the expense of grasses. This trend was also noted at lower levels of mulch incorporation.
- Irrigated plots favored grasses.
- Fairway crested wheatgrass (an introduced species) did much better than the native grasses and although it did not exclude the natives, may have created competition limiting their establishment.

The plan provides some some parameters to be tested in future plots (page 2-8): native and local seed, different fertilizing techniques (including no fertilizer) and different seedbed preparation. The 1997 Collins analysis suggests that Fairway Crested wheat seed should be eliminated from the interim seed mix in order to encourage greater diversity in the establishment of grasses.

The Division concurs with Mr. Collins recommendation of removing Fairway crested wheatgrass from the seed mix. The Division would also suggest the following techniques be evaluated in future seeding activity: cover the seed by raking to increase shrub germination, employ wood-fiber hydromulch, eliminate fertilizer, and change the timing of seeding to late summer.

Rather than go to the extreme of pursuing additional area for disturbance (page 2-8), the Division recommends that Andalex commits to a salvage depth of twenty-four inches in any future expansion plans, with another thirty inches of subsoil to be salvaged and stockpiled separately for use as substitute topsoil during final reclamation (based upon the soil survey conducted in March 2003, by Mr. Jim Nyenhuis).

Findings:

The information provided meets the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine.

SPOIL AND WASTE MATERIALS

Regulatory Reference: 30 CFR Sec. 701.5, 784.19, 784.25, 817.71, 817.72, 817.73, 817.74, 817.81, 817.83, 817.84, 817.87, 817.89; R645-100-200, -301-210, -301-211, -301-212, -301-412, -301-512, -301-513, -301-514, -301-521, -301-526, -301-528, -301-535, -301-536, -301-542, -301-553, -301-745, -301-746, -301-747.

Analysis:

Coal processing waste was used (along with subsoils) to create a foundation for the stockpiles and in construction of sediment ponds (R645-301-212 p 2-2; R645-301-512.230 p 5-7; R645-301-512.240 p 5-10)).

Refuse Piles

Refuse or bony is stored on the west side of the railroad tracks (Plate 1). This refuse was sampled once in 1993 as described in Section 8 R645-301-711.100 Groundwater Monitoring page 7-4. The resulting leachate analysis is found in the 1994 Annual Report.

Analysis of the refuse itself was conducted in 2004. The results of this testing are found in Appendix D and is discussed in the Operations Hydrology section of this TA under Acid/Toxic forming materials.

Approximately 44,500 cu yds of refuse are in the refuse pile (Plate 1 and R645-301-512.230, p.5-8). Perhaps 10,000 cu yds of refuse material has been used as foundation fill for areas expansion as noted in R645-301-512.230 p 5-7.

Findings:

The information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine.

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.

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Analysis:

Acid- and Toxic-Forming Materials and Underground Development Waste

Acid and Toxic Forming Materials sampling information is found on page 7-5 under R645-301-711.100. The analysis of the 1994 leachate from coal and refuse by Commercial Testing and Engineering Co. is found in the 1994 Annual Report.

The analysis of the refuse material (soil) by Utah State University Soil Plant and Water Analysis Laboratory is included as Attachment 2 of Appendix J (Probable Hydrologic Consequences). These analyses indicate that there is 0.53% sulfur and 1.02% sulfur in the coal and boney, respectively. Since the analyses do not indicate the calcium carbonate content of the material, nor do they provide an indication of the percent pyrite, they can not provide an estimation of the acid forming potential of the material. However, the pH of the material is reported as 7.6 and 7.4 and the boron content falls within 0.5 to 1.3 mg/L. Selenium was not analyzed.

Two samples of the refuse material (soil) taken in 2004 were sent to Brigham Young University Soil and Plant Analysis Laboratory is located in Appendix D. These samples indicate there is adequate carbonate in the material to neutralize the potential acidity. The samples also report high values for selenium, this fact should be noted in the selection of vegetation.

A statement has been added to the MRP that there will be no further testing of the refusee, "since none of the above tests have provided indications of major acid or toxicity problems. (p. 7-5)" The results of two samples from the refuse for Acid Base Accounting and selenium do not provide the Division with adqequate information. The statement that no further testing will be conducted is not appropriate.

Section 645-301-512.230 page 5-7 discusses the use of coal mine waste as substitute fill during operations with separate handling and disposal of the coal mine waste under four feet of subsoil.

Findings:

The information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. Prior to approval, the Permittee must provide the following, in accordance with:

R645-302-264.300 and R645-301-731.300, The results of two samples from the refuse for Acid Base Accounting and selenium do not provide the Division with adequate information. The statement added to the MRP on page 7-5 that no further testing will be conducted is not acceptable and must be removed.

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:

Reclamation techniques are being investigated at the site. A topsoil test plot study was installed on Topsoil Pile B in 1994 to address the questions of which reclamation treatments provide the most favorable condition for seed germination and plant growth on topsoil. In 1997 by Patrick Collins of Mt. Nebo Scientific evaluated the topsoil test plots (see discussion under Operation Plan Topsoil and Subsoil).

Findings:

The information provided meets the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. The Division expects to continue refining the reclamation plan for this site in cooperation with the Permittee.

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

Final reclamation contours and cross section locations are shown on Plate 9. Plate 10, Reclamation profiles indicates that the reclaimed site will gently slope from west to east at a grade between 20h:1v (cross-section C) to 26h:1v (cross-section D).

Phase I reclamation will involve grading 74,000 cu yds of material (Section R645-301-240, page 2-16 and Tables II-1 Mass Balance Summary). Ponds B and E will be removed and Ponds A, C, E and F will remain until Phase 2 of the reclamation (p 2-16 and 2-19). The plan

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indicates that soil will be moved at an optimum moisture content, i.e. water will be added if the soil is too dry (pg 2-20). Section R645-301-512.230 page 5-7 describes the burial of coal mine waste underneath four feet of subsoil.

The fill will be compacted (p. 2-5), but the last few lifts will be left loose for a depth of four feet to eliminate the need for ripping (p. 2-19).

Phase II is the removal of ponds A, C, D, and F and removal of the fence surrounding the permit area. The upper and lower cell of the permanent impoundment shown on Plate 9 will remain. The out slopes of these impoundments are vegetated.

Table II and Table II-1 provide cut fill information, however the location of the stations is not identified. Please include the reference map number for station locations on Tables II and II-1.

Findings:

The information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine. Prior to approval, the Permittee must provide the following, in accordance with:

R645-302-264.300 and R645-301-242.200, Tables II and II-1 should include the reference map number for station locations.

TOPSOIL AND SUBSOIL

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

Analysis:

Redistribution

The reclamation plan is described in Sections R645-301-240 (p. 2-13) and R645-301-542.400. Reclamation costs are provided in Appendix B.

As mentioned under Backfilling and Grading, a loose application of fill should eliminate the requirement for ripping (scarification) of the graded fill prior to topsoil placement.

R645-301-243 indicates soil nutrients will be applied as needed. Section R645-301-240 page 2-21 indicates topsoil will be sampled for fertility and amended as recommended by the regulatory authority. Unless deficiencies are extreme, the Division discourages the use of

fertilizer, and has noted that nitrogen fertilization encourages weedy species in The Practical Guide to Reclamation in Utah, DOGM, 2000, available on the web at <http://ogm.utah.gov/>

Topsoil will be replaced to a depth of six inches over a 61 acre area (page 2-5, R645-301-242 p 2-25), except that topsoil will not be replaced on:

- Alternate Sediment Control Areas (ASCA, where topsoil was not removed). Plate 2 illustrates the ASCA's.
- Embankments of permanent impoundments (shown on plates 1 and 9 on the west side of the railroad tracks)

Topsoil placement will occur in the Fall (pg 2-20). Topsoil will be replaced using dump trucks and graders (pg 2-20). Seed will be applied to all 61 disturbed acres, as shown on Plate 9 (Section R645-301-240, pg 2-22).

Findings:

The information provided does not meet the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine.

STABILIZATION OF SURFACE AREAS

Regulatory Reference: 30 CFR Sec. 817.95; R645-301-244.

Analysis:

Reclaimed areas will be gouged as described on page 2-21, hydroseeded and hydromulched.

As gouging has been adopted, the bonding costs may require re-adjustment.

All seeded areas (illustrated on Plate 9) will be treated with hydromulch (1 Ton/ac) and tackifier to stabilize the regraded soil (Section R645-301-240, pg 2-22).

The embankments of permanent impoundments may be stabilized with riprap (Section R645-301-242.320).

“All rills and gullies greater than nine inches will be filled, graded or otherwise stabilized and the area re-seeded or replanted if the rills or gullies are disruptive to the approved postmining land use or result in additional erosion and sedimentation (Section R645-301-212, p 2-6).”

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Findings:

The information provided meets the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine and Reclamation Stabilization of Surface Areas requirements of the Regulations. The site will be gouged and the bonding costs may require re-adjustment.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

General

The bond was reduced by letter dated September 5, 1997 from \$813,795 down to \$698,000 in year 2000 dollars.

Form of Bond

The Division accepted an Irrevocable Letter of Credit in the amount of \$651,000 on February 2, 2004. The Irrevocable Letter of Credit is dated December 9, 2003.

Determination of Bond Amount

The bond was originally calculated to be \$726,335 in 1988. The bond was recalculated in 1997 and determined to be \$655,784 with an escalation factor of 2.52% reaching a cost of \$698,000 in the year 2000 (letter from Daron Haddock to Mike Glasson dated September 5, 1997). The reason for the bond reduction was the savings in concrete demolition costs when a 125 horsepower excavator equipped with a hydraulic hammer replaced the 50 horsepower backhoe.

The Division accepted an Irrevocable Letter of Credit in the amount of \$651,000 on February 2, 2004. The reason that the Division accepted a letter of credit for \$651,000 is not explained in the files. Appendix B provides an accounting for the current bond of \$651,000.

Terms and Conditions for Liability Insurance

A certificate of insurance was issued by Riddle Insurance Company, dated June 27, 2003, and was received by the Division January 15, 2004 as part of the permit renewal information. This certificate expires July 1, 2004

Findings:

The information provided meets the minimum requirements for Coal Processing Plants Not Located Within the Permit Area of a Mine.

RECOMMENDATIONS:

The plan refers to a 60.94 acre disturbed area. Exhibit A of the Reclamation Agreement describes a 63.7-acre area.

The site will be gouged, therefore, the bonding costs may require re-adjustment.

A few details remain to be worked out. Approval is not recommended at this time.