

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

JK

May 10, 2007

TO: Internal File

THRU: Wayne Hedberg, Permit Supervisor *WH*

FROM: James D. Smith, Environmental Scientist I - Hydrogeology, Team Lead *JS 11/21/07*

RE: 2006 Midterm Permit Review, Andalex Resources, Inc., Wildcat Loadout, C/007/0033, Task ID #2691

SUMMARY:

In a letter dated November 9, 2006, the Division informed the Permittee that the Division would be conducting a midterm review of the Wildcat Loadout permit. The Division is required to review each active permit during its term, in accordance with R645-303-211. This review is to take place at the midpoint of the permit term. The permit was renewed May 5, 2004.

The Midterm Review for the Wildcat Loadout has been scheduled and the pertinent items chosen for review are:

1. An AVS check to insure that Ownership and Control information is current and correct.
2. A review to ensure that the mine plan has been updated to reflect changes in the Utah Coal Regulatory Program, which have occurred subsequent to permit approval (One area of emphasis is to ensure compliance with the U.S. Fish and Wildlife Department - Colorado River Endangered Fish Recovery Program).
3. A review of the mine plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee initiated plan changes are appropriately incorporated into the mine plan document.
4. A review of the applicable portions of the permit to ensure that the mine plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.

TECHNICAL MEMO

5. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.

6. The Division may conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

If an inspection is done, it will be in late May or early June.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

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

Analysis:

Ownership and Control are discussed in Section R645-301-112.320 of the MRP, but this information is out-of-date. Murray Energy Corporation acquired Andalex Resources, Inc. in August 2006. A draft Appendix 1-1 with "Family Tree" Ownership and Control information has been given to the Division. An amendment with this information has not been submitted., but the amendment to bring the MRP up-to date is to be submitted in the near future.

Findings:

Identification of Interests information on Ownership and Control is not current, but the Permittee is preparing an amendment to bring Ownership and Control information up to date.

VIOLATION INFORMATION

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

Analysis:

An AVS check done by OSM on December 5, 2006 found no violations for Andalex Resources Inc. Tower Division, the permittee of the Wildcat Loadout. In addition, no violations were found for other Andalex entities. Appendix B contains a statement from the Permittee that as of January 26, 2004 there had been no violations at the Wildcat Loadout or Centennial Project during the three previous years.

Findings:

Violation Information is adequate to meet the requirements of the Utah Coal Mining Rules.

PERMIT APPLICATION FORMAT AND CONTENTS

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

Analysis:

The Division has granted several extensions for the Permittee to respond to the Division Order titled Design Drawings and Specifications, also known as the wind blown coal-fines issue at the Wildcat Loadout. These extensions have been given because of more pressing matters for both the Division and Andalex, and also because the Permittee had to wait for the BLM to grant an expanded ROW for the site, which required more time than anticipated. Submittal of the Permittee's response is expected sometime in May 2007.

Findings:

Permit Application Format and Contents are adequate to meet the requirements of the Utah Coal Mining Rules.

OPERATION PLAN

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.

TECHNICAL MEMO

Analysis:

General

There is one stipulation attached to the Wildcat Loadout Permit:

Andalex Resources, Inc. must submit water quality data for the Wildcat Loadout Facility in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>.

The Permittee is complying with this stipulation.

Sediment Control Measures

There are six sedimentation ponds, designated as A through F, constructed at the Wildcat Loadout Site. Locations are shown on Plate 2 and each pond is detailed on Plates 3 through 7. The Permittee also constructed a 2-celled pond, called the Permanent Impoundment, to capture natural drainage from the canyon above the Wildcat Loadout.

Straw bales, berms, and vegetation are used alone or in combination for sediment control on seven small ASCAs. The ASCAs treat a total of 17.51 acres or 26 percent of the total disturbed area. These ASCAs are shown on Plate 2, and Chapter 5 contains complete descriptions of each area.

Findings:

Hydrologic Operation Information is sufficient to meet the requirements of the Coal Mining Rules.

RECOMMENDATIONS:

The Division should approve the midterm review.