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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

December 12, 2011

TO: Internal File

THRU: Daron Haddock, Coal Program Manager *DH*

FROM: Steve Christensen, Environmental Scientist *SCC*

RE: Chapter 1 Revisions, Wildcat Loadout, Intermountain Power Agency, C/007/0033, Task ID #3985

SUMMARY:

On December 5th, 2011, the Division of Oil, Gas and Mining (the Division) received a revised Chapter 1 for the Wildcat Loadout facility. Intermountain Power Agency (the Permittee) recently acquired the facility and permit from Andalex Resources, LLC. Deficiencies were identified during the previous technical review conducted by the Division (Task ID # 3943). The amendment is the Permittee's response to those deficiencies.

Intermountain Power Agency (the Permittee) recently acquired the facility and permit from Andalex Resources, LLC. The Division received a copy of the transfer agreement between Andalex Resources, Inc. and Intermountain Power Agency (IPA) on May 16th, 2011. Additionally, the Permittee posted a reclamation bond with the Division on June 27th, 2011.

As a condition of the permit transfer approval, the Permittee was required to submit revised Chapter 1 information for insertion into the approved Mining and Reclamation Plan (MRP) so that it adequately reflects the new ownership and control of the facility. The information was to be submitted within 60 days of the issuance of the permit.

The amendment meets the administrative sections of the State of Utah R645-Coal Mining Rules and should be approved.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

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 amendment meets the Violation Information requirements of the State of Utah R645-Coal Mining Rules.

On September 29th, 2011, the Division requested an Office of Surface Mining (OSM) Applicant Violator System check. The AVS check performed by OSM did not identify any violations that were outstanding for Intermountain Power Agency and its affiliates.

However, the MRP contained violation history information for the previous Permittee (Andalex Resources, LLC.) in Appendix B Part B. The Permittee has removed the Andalex Resources LLC (and its affiliated entities) violation history from Appendix B Part B. The information contained in Appendix B Part B is now up to date.

Findings:

The amendment meets the Violation Information requirements of the State of Utah R645-Coal Mining Rules.

RIGHT OF ENTRY

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

Analysis:

The amendment meets the Right of Entry requirements of the State of Utah R645-Coal Mining Rules.

The Division received a copy of the transfer agreement between Andalex Resources, Inc. and Intermountain Power Agency (IPA) on May 16th, 2011. Additionally, the Permittee posted a reclamation bond with the Division on June 27th, 2011.

TECHNICAL MEMO

The previous technical analysis (Task ID #3943) directed the Permittee to supplement the Right of Entry information in Chapter 1 page 1-9 with a description of the documents upon which the applicant bases their legal right to enter and begin coal mining and reclamation operations. The Permittee has revised the Right of Entry Information on page 9. Additionally, Appendix B Part A-22, *Rights of Way, Leases, Real Property Agreements-Assignment and Assumption Agreement*, contains the right of way agreement between IPA and Andalex Resources, Inc (dated May 10th, 2011). Appendix B, Part A-23 contains the quitclaim deed between Andalex Resources, Inc. (grantor) and IPA (grantee). The quitclaim deed was executed between the two entities on May 4th, 2011.

Findings:

The amendment meets the Right of Entry requirements of the State of Utah R645-Coal Mining Rules.

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:

The amendment meets the Legal Description and Status of Unsuitability Claims requirements of the State of Utah R645-Coal Mining Rules.

The permit area is not located with an area designated unsuitable for the effects of mining activities and coal loading activities. Additionally, no occupied dwellings are located within 300 feet of the permit.

The permit area is 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 (See page 1-9). A legal description of the permit area is provided in Section R645-301-114.

Findings

The amendment meets the Legal Description and Status of Unsuitability Claims requirements of the State of Utah R645-Coal Mining Rules.

PERMIT TERM

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

Analysis:

The amendment meets the Permit Term requirements of the State of Utah R645-Coal Mining Rules.

On page 1-12 of the amendment, the Permittee indicates that *“The requested term of this permit is five years. Intermountain Power Agency will then apply for five year extensions over the life of this operation.”*

Findings:

The amendment meets the Permit Term requirements of the State of Utah R645-Coal Mining Rules.

PUBLIC NOTICE AND COMMENT

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

Analysis:

The amendment meets the Public Notice and Comment requirements of the State of Utah R645-Coal Mining Rules.

The application for transfer of permit from Andalex Resources, LLC to IPA was advertised in the Sun Advocate beginning on March 1st, 2011 and ending on March 31st, 2011. The public was provided an opportunity to provide comment on the transfer application. No comments were received. Additionally, an affidavit of publication was received by the Division on March 9th, 2011.

Findings:

The amendment meets the Public Notice and Comment requirements of the State of Utah R645-Coal Mining Rules.

RECOMMENDATIONS

The amendment is recommended for approval.