



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 4, 2014

James A. Hewlett, Resident Agent
Intermountain Power Agency
10653 South Riverfront Parkway, Suite 120
South Jordan, Utah 84095

Subject: Five Year Permit Renewal, Wildcat Loadout, Intermountain Power Agency,
C/007/0033

Dear Mr. Hewlett:

The permit renewal for the Wildcat Loadout is approved effective May 5, 2014. Enclosed are two (2) copies of the renewed permanent program permit with one special condition for the Wildcat Loadout to be signed by the designated signatory authority for Intermountain Power Agency.

Please return one signed original to the Division.

If you have any other questions, please call me or Daron R. Haddock at (801) 538-5325.

Sincerely,

John R. Baza
Director

JRB/DRH/ss

Enclosures

cc: Alan Boehms, OSM

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UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL

Wildcat Loadout
Intermountain Power Agency
C/007/0033
Carbon County, Utah

April 4, 2014

Contents

- Administrative Overview
- Permitting Chronology
- Findings
- Permit
- Affidavit of Publication
- AVS Compliance Memo

ADMINISTRATIVE OVERVIEW

Wildcat Loadout Permit Renewal
Intermountain Power Agency
C/007/0033
April 4, 2014

BACKGROUND

The Wildcat Loadout facility is located three miles west of U.S. Highway 6, on Consumers Road near the town of Helper in Carbon County, Utah. The permit area comprises approximately 100 acres, of which 12.5 acres are under a right of way agreement between the Utah Railway and the Bureau of Land Management (BLM). The remaining acreage (approximately 87.5 acres) is BLM land utilized under Right of Way agreements.

The initial right-of-way was granted to Andalex Resources, Inc. (Andalex) in January 1982. The Wildcat Loadout Facility initiated operations in April 1985. Prior to the opening of the Wildcat Loadout Facility by Andalex, a portion of the present permit area was previously utilized as a coal loadout by other entities. Division of Oil, Gas, and Mining jurisdiction over the Wildcat Loadout Facility was established by programmatic changes finalized in January 1986. Prior to that time, the Division had no jurisdiction over this type of facility. The original SMCRA permit was issued to Andalex on May 5, 1989. The permit was subsequently renewed in 1994, 1999, 2004 and 2009.

In 2011 ownership of the loadout was transferred from Andalex to Intermountain Power Agency (IPA) with a permit being issued to IPA on June 27, 2011 with the existing expiration date of May 5, 2014. It is this permit that is being renewed at this time.

The facility crushes, screens, and sorts coal hauled from various mines. The facility has received coal from various sources including the Centennial Mine, operated by Andalex, the Crandall Canyon Mine operated by Genwal Resources, Inc. and the West Ridge Mine operated by West Ridge Resources, Inc., and most recently from the Bear Canyon Mine operated by Castle Valley Mining, LLC. This facility is designed to handle up to 5.5 million tons of coal annually.

A letter providing notice of Temporary cessation was submitted to the Division on September 10, 2010. This was in anticipation of the legal transfer of the ownership of the facility to IPA. Soon after the permit was acquired by IPA, they restarted the operations at the Loadout and have been active ever since.

PERMIT RENEWAL

Intermountain Agency Power made application to the Division of Oil Gas and Mining for a five year permit renewal for the Wildcat Loadout on January 3, 2014.

The renewal application was determined administratively complete on January 7, 2014. Public notice for this permit renewal was published in the Sun Advocate on February 11, 18, 25 and March 4, 2014.

ANALYSIS

Requisite information for the permit renewal application was made and all notices were published as required. As result of the publication in the Sun Advocate, no comments were received.

RECOMMENDATION

Approval for this permit renewal is recommended.

PERMITTING CHRONOLOGY

Wildcat Loadout Permit Renewal Intermountain Power Agency C/007/0033

April 4, 2014

January 3, 2014	Intermountain Power Agency submitted a permit renewal application for the Wildcat Loadout.
January 7, 2014	Determination of Administrative Completeness for this permit renewal application.
January 7, 2014	Permit renewal completeness determination sent to applicable state, federal, and county agencies.
February 11, 18, 25 and March 4, 2014	Public notice for permit renewal for the Wildcat Loadout was published in the <u>Sun Advocate</u> .
March 31, 2014	AVS Evaluation.
April 3, 2014	No comments received.
April 4, 2014	Permit renewed effective May 5, 2014.

PERMIT RENEWAL FINDINGS

Wildcat Loadout Permit Renewal
Intermountain Power Agency
C/007/0033

April 4, 2014

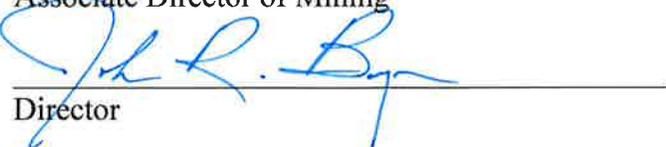
1. The permit renewal term will not exceed the original permit term of five years. (R645-303-234).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110).
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The operator has provided evidence of maintaining liability insurance in full effect by submitting a letter certifying the status of Intermountain Power Agency as a self-insurer and documenting that they have the required coverages. (Letter dated November 10, 2010 from Avery Neaman)(R645-303-233.140).
6. The operator has a Reclamation Bond on file with the Division and has provided evidence that this instrument will remain in full effect. (Pledge Agreement which pledges U. S. Treasury Notes #912828MU1 in the amount of \$1,144,000) (R645-303-342).
7. The operator has submitted all applicable, revised or updated information as required by the Division at this time. (R645-303-233.160).



Permit Supervisor



Associate Director of Mining



Director

FEDERAL

C/007/0033

May 5, 2014

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340**

This permit, C/007/0033, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Intermountain Power Agency
10653 South River Front Parkway, Suite 120
South Jordan, Utah 84095
(801) 938-1333**

for the Wildcat Loadout Facility. Intermountain Power Agency is the leasee of Bureau of Land Management Rights of Way (ROW) No. U48027 and U52810. A surety bond is filed with the Division in the amount of \$1,144,000, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining, Reclamation and Enforcement (OSMRE). The Division must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA** - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the Wildcat Loadout Facility situated in the State of Utah, Carbon County, and located in:
- Salt Lake Base and Meridian, Utah Township 13 South, Range 9 East, Section 33, NW1/4SE1/4, N1/2SW1/4SE1/4, E1/2E1/2NE1/4SW1/4, E1/2NE1/4SE1/4SW1/4, NE1/4SE1/4SE1/4SW1/4, NW1/4SW1/4SW1/4SE1/4, E1/2SE1/4SW1/4NE1/4 and portions of N1/2NW1/4NE1/4SE1/4, NE1/4SW1/4NE1/4, SW1/4SW1/4NE1/4, NW1/4SE1/4SW1/4NE1/4, W1/2NE1/4SW1/4, W1/2E1/2NE1/4SW1/4, W1/2E1/2SE1/4SW1/4.

This legal description is for the permit area of the Wildcat Loadout Facility. The permittee is authorized to conduct coal mining and reclamation operations and related surface activities on the foregoing described property subject to the conditions of the Bureau of Land Management rights-of-way and all other applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit expires on May 5, 2019.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13 {e} and R645-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
 - (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.
- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) any accelerated or additional monitoring necessary to determine the nature of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 CONDUCT OF OPERATIONS – The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 10 DISPOSAL OF POLLUTANTS – The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If, during the course of coal mining and reclamation operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.
- Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with these permitting actions as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: John R. Bay

Date: 4/4/2014

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

**Authorized Representative of
the Permittee**

Date: _____

Attachment A

SPECIAL CONDITION

1. Intermountain Power Agency 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>

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 11th day of February, 2014, and that the last publication of such notice was in the issue of such newspaper dated the 4th day of March 2014.



Richard Shaw – Publisher

Subscribed and sworn to before me this 4th day of March, 2014.



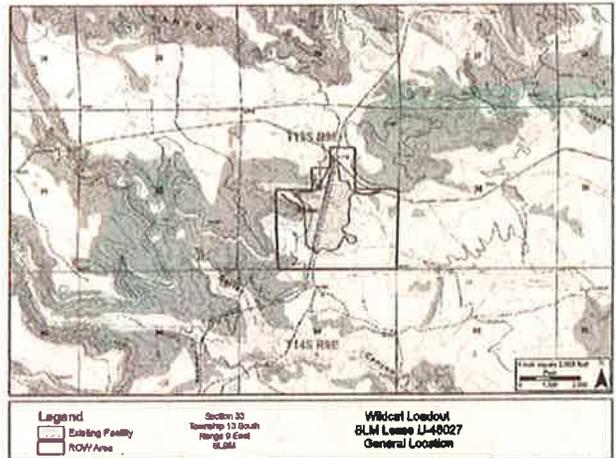
Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, \$ 403.20



**PUBLIC NOTICE FOR PERMIT RENEWAL
WILDCAT LOADOUT
5495 WEST 3550 NORTH
CONSUMERS ROAD, HELPER UTAH 84526**

Intermountain Power Agency (IPA) is the lease holder of the Wildcat Loadout. IPA was granted the right-of-way in August, 2011 by the Bureau of Land Management. IPA has filed application for a five year permit renewal (C/007/0033) for the Wildcat Loadout with the Division of Oil, Gas and Mining. The permit area is located on State Highway 139 (Consumers Road) near the Utah Railway railroad tracks. The location of the loadout is shown on the map below.



A copy of this application is available for inspection at the Division of Oil, Gas and Mining at 1594 West North Temple, Suite 1210, Salt Lake City, Utah and at the Carbon County recorder's office. Comments, objections, or requests for an informal conference should be addressed to the Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate February 11, 18, 25 and March 4, 2014.



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 31, 2014

To: Internal File

From: Daron R. Haddock, Coal Program Manager 

Subject: 510 (c) Recommendation for Intermountain Power Agency, Wildcat Loadout, C/007/0033, Task ID #4490

As of writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected for the Wildcat Loadout. There are no finalized civil penalties, which are outstanding and overdue in the name of Intermountain Power Agency. Intermountain Power Agency does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is a recommendation from the OSM Applicant Violator System for the Wildcat Loadout that states there are no outstanding violations.

O:\007033.WCL\PERMIT\2014\510c.doc



U.S. Department of the Interior Office of Surface Mining
Applicant/Violator System

suzanne.steab (UT) | [Logout](#)

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[HOME](#) > ENTITY EVALUATE

Evaluation on Permit Number: C0070033 SEQ:5

0 Violations

[Print Report](#)

Permit Evaluation

Permit Number	C0070033 SEQ:5
Permitee Name	119705 Intermountain Power Agency
Date of Request	3/31/2014 11:02:08 AM
Requestor	suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

There were no violations retrieved by the system

Evaluation OFT

Entities: 9

- 119705 Intermountain Power Agency - ()
- 112517 Edward D Collins - (Director)
- 112517 Edward D Collins - (Secretary)
- 119711 Ted L Olson - (Chairman of the Board)
- 119711 Ted L Olson - (Director)
- 120599 James A Hewlett - (Manager)
- 133991 Russell F Fjeldsted - (Director)
- 133991 Russell F Fjeldsted - (Treasurer)
- 251398 Fred Moss - (Director)
- 254350 Blaine J Haacke - (Chairman of the Board)
- 254350 Blaine J Haacke - (Director)

---254351 Eric D Larsen - (Director)
---254352 LaVon S Mellor - (Director)

Narrative

Request Narrative