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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 19, 1997

Ben Grimes, Senior Staff Project Engineer
Cyprus Plateau Mining Corp
P.O. Drawer PMC
Price, Utah 84501

Re: Degassification Well Proposal, Cyprus Plateau Mining Corp, Willow Creek Mine,
ACT/007/038-97K, File #2, carbon County, Utah

Dear Mr. Grimes:

Jim Smith and Jesse Kelley, Reclamation Specialists for the Division, have reviewed the referenced proposal. The technical analyses outline several deficiencies which are provided for your review. Please respond to these deficiencies by January 15, 1998.

ADMINISTRATIVE FINDINGS

COMPLETENESS

When the proposed amendment is compared to the currently approved MRP, four paragraphs concerning soil reclamation have been deleted from pages 4.2-3 and 4.2-3a, and three lines concerning erosional gullies are missing at the top of page 5.4-14. The amendment cannot be inserted into the MRP with these omissions.

Findings:

Information provided in the proposed amendment is not considered adequate to meet the requirements of this section. Prior to approval the applicant must provide the following in accordance with:

R645-301-121.200, -121.300, missing information on pages 4.2-3, 4.2-3a, and 5.4-14 needs to be restored.

TECHNICAL ANALYSIS

ENVIRONMENTAL RESOURCE INFORMATION

GEOLOGIC RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 784.22; R645-301-623, -301-724.

Analysis:

Two holes drilled as part of an exploration program within the existing permit area are proposed for conversion to gob degassification wells. The recovered methane may be marketed if future testing indicates that quality and quantity are sufficient.

The current MRP includes geologic information in sufficient detail to assist in determining the probable hydrologic consequences of the operation upon the quality and quantity of surface and ground water in the permit and adjacent areas. There is no additional geologic resource information in the proposed amendment except for the locations of the two degassification wells on Map 19-A.

Sealing of exploration drillholes and reclamation of roads and drill sites are discussed in Section 4.1.2.6 of the current MRP.

Findings:

Information provided in the proposed Degassification Well Amendment is considered adequate to meet the requirements of the Geologic Resources section.

HYDROLOGIC RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 701.5, 784.14; R645-100-200, -301-724.

Analysis:

Baseline cumulative impact area information.

The degassification wells are within the current CHIA. The proposed amendment to the Willow Creek Mine MRP will require no modification of the findings of the current CHIA.

Probable hydrologic consequences determination.

The proposed amendment has been reviewed by the Division and a new or updated PHC

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is not required.

Findings:

Information provided in the proposed amendment is considered adequate to meet the requirements of the Hydrologic Resources section.

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Mine Workings Maps

Plate 19-A has been submitted in the proposed degassification wells amendment to show location of the degassification wells in relation to projected workings in the D-seam.

Certification

Map 19-A is not certified.

Findings:

Information provided in the proposed amendment is not considered adequate to meet the requirements of the Maps, Plans, and Cross-Sections Resource Information section. Prior to approval the applicant must provide the following in accordance with:

R645-301-612, -622.100, locations of the degassification wells are not shown on a certified map.

RECOMMENDATION

Several minor deficiencies have been identified that need to be corrected before the Degassification Well Amendment can be approved for inclusion in the MRP.

TECHNICAL ANALYSIS:

ENVIRONMENTAL RESOURCE INFORMATION

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

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Affected Area Boundary Maps

The permittee drilled 2 exploration holes--designated 97-30-5-DG and 97-30-2A-DG--during the Fall of 1997. Now, however, the permittee intends to case and cap the holes and use them as degassification wells to remove gas from caved gob areas within the mine. As degassification wells, the holes will no longer be treated as exploration holes, but will be subject to the same regulatory requirements as other operational surface facilities. Thus, both the wells and the roads created to access them must be included in the disturbed area.

Map 19-A--D-Seam Mine Plan shows the locations of the degassification wells within the permit area. However, the disturbed area and surface facilities maps must also be revised both to show the locations of the wells and the extended disturbed area boundaries within which they and their appurtenant access roads are located.

Findings:

The October 24, 1997 submittal does not fulfill the requirements of this section.

The permittee must provide the following, prior to approval of the submittal, in accordance with the requirements of:

R645-301-521.162

As discussed above, the permittee must include the degassification wells and access roads in the disturbed area. The permittee must revise the disturbed area maps to show the locations of the degassification wells and the extended disturbed area boundaries within which they and the access roads are located.

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR Sec. 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

Facilities and Structures

The permittee drilled 2 exploration holes--designated 97-30-5-DG and 97-30-2A-DG--during the Fall of 1997. Now, however, the permittee intends to case and cap the holes and use them as degassification wells to remove gas from caved gob areas within the mine. As degassification wells, the holes will no longer be treated as exploration holes, but will be subject to the same regulatory requirements as other operational surface facilities. Thus, the wells must be included among the other operational surface facilities and shown on the relevant surface facilities maps.

Findings:

The October 24, 1997 submittal does not fulfill the requirements of this section.

The permittee must provide the following, prior to approval of the submittal, in accordance with the requirements of:

R645-301-521.161

As discussed above, the permittee must revise the relevant surface facilities maps to show the locations of the degassification wells.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 784.24, 817.150, 817.151; R645-301-521, -301-527, -301-534, -301-732.

Analysis:

Road Systems

The permittee drilled 2 exploration holes--designated 97-30-5-DG and 97-30-2A-DG--during the Fall of 1997. Now, however, the permittee intends to case and cap the holes and use them as degassification wells to remove gas from caved gob areas within the mine.

The degassification wells will no longer be treated as exploration holes, but will be subject to the same regulatory requirements as other operational surface facilities. Likewise, the roads created to access the wells will no longer be treated as exploration roads, but will become operational roads, subject to all the pertinent regulatory requirements. Thus, the access roads must be classified as either primary or ancillary and the plan must be revised to show that the roads meet all the requirements of R645-301-527 and R645-301-534.

Findings:

The October 24, 1997 submittal does not fulfill the requirements of this section.

The permittee must provide the following, prior to approval of the submittal, in accordance with the requirements of:

R645-301-527, R645-301-534

The permittee must revise the plan to show that the access roads to the degassification wells fulfill the regulatory requirements for roads which are set forth in these sections.

RECLAMATION PLAN

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 701.5, 784.24, 817.150, 817.151; R645-100-200, -301-513, -301-521, -301-527, -301-534, -301-537, -301-732.

Analysis:

The permittee drilled 2 exploration holes--designated 97-30-5-DG and 97-30-2A-DG--during the Fall of 1997. Now, however, the permittee intends to case and cap the holes and use them as degassification wells to remove gas from caved gob areas within the mine.

The degassification wells will no longer be treated as exploration holes, but will be subject to the same regulatory requirements as other operational surface facilities. Likewise, the roads created to access the wells will no longer be treated as exploration roads, but will become operational roads, subject to all the pertinent regulatory requirements--including final reclamation. Thus, the permittee must revise the plan to include the reclamation of the access roads.

Findings:

The October 24, 1997 submittal does not fulfill the requirements of this section.

The permittee must provide the following, prior to approval of the submittal, in accordance with the requirements of:

R645-301-542.600

The permittee must revise the plan to provide for the reclamation of the access roads to the degassification wells.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Determination of bond amount

The permittee drilled 2 holes--designated 97-30-5-DG and 97-30-2A-DG-- during the Fall of 1997. The holes were drilled as exploration holes under an exploration permit and were drilled within the permit area. Now, however, the permittee intends to case and cap the holes and use them as degassification wells to remove gas from caved gob areas within the mine. As degassification wells, the holes will no longer be treated as exploration holes. Thus, both the wells and the roads created to access them must be included within the disturbed area and subject to the same regulatory requirements, including final reclamation, as other operational surface facilities.

The submittal made for the degassification wells says that they are bonded through BLM and that no further reclamation bonding is necessary. However, only exploration holes and their appurtenant access roads are exempt from bonding under the Utah coal rules. Since the degassification wells are to be operational facilities, both the wells and the access roads must be reclaimed and a bond must be posted for the anticipated cost of that reclamation.

Findings:

The October 24, 1997 submittal does not fulfill the requirements of this section.

The permittee must provide the following, prior to approval of the submittal, in accordance with the requirements of:

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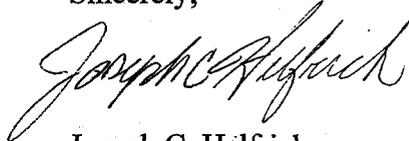
R645-301-542.800, R645-301-820.100

The permittee must revise the plan to include an estimate of the cost of reclaiming the degassification wells and the access roads. Furthermore, the permittee must revise the reclamation bond, if necessary, to cover this additional reclamation cost.

RECOMMENDATION:

It is recommended that the permittee correct the deficiencies set forth in the Technical Analysis above before the Division can approve this amendment.

Sincerely,



Joseph C. Helfrich
Permit Supervisor

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Enclosure
cc: Price Field Office
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