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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340

(801) 359-3940 (Fax)

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

October 8, 1998

To: File

Thru: Joe Helfrich, Permit Supervisor, Compliance

From: Peter Hess, Reclamation Specialist III *PHH*

RE: Notice of Intent to Conduct Minor Coal Exploration. Revision to Exploration Permit Application, ACT/007/038-98H, File #3, Cyprus Plateau Mining Corporation, Willow Creek Mine, Carbon County, Utah

NOI for Joe Helfrich

SUMMARY:

Cyprus Plateau is proposing to drill a second exploration borehole in Dry Canyon to determine coal thickness and quality in the "K" seam. Hole P98-29-4 will be an angle hole proceeding ENE. The pad for 98-29-4 will be approximately 740 feet farther up Dry Canyon (main axis of this canyon runs SE from Willow Creek Canyon on fee land owned by Cyprus Plateau Mining Corporation).

TECHNICAL ANALYSIS:

OPERATION PLAN

COAL EXPLORATION CATEGORIES

Regulatory Reference: R645-200-122. Minor Coal Exploration.

Analysis:

One hole will be drilled in Dry Canyon to determine the thickness and quality of coal in the "K" seam in that area. Less than 250 tons of coal will be recovered.

Findings:

This amendment qualifies as a minor coal exploration amendment.



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COAL EXPLORATION: COMPLIANCE DUTIES

Regulatory Reference: R645-202-200. Responsibilities.

Analysis:

The applicant has committed to comply with the coal exploration program rules of R645-200 through 203.

Findings:

The minimum regulatory requirements have been met.

Regulatory Reference: R645-201. Coal Exploration: Requirements for Exploration Approval.
Regulatory Reference: R645-201-202, -210 through -225. Notice of Intent to Conduct Minor Coal Exploration.

Analysis:

The applicant has addressed the requirements of the R645 rules with regard to names and addresses of applicant, the authorized representative of same, description and location of the exploration area, the exploration time period, method of exploration, and the methods used to negate adverse environmental impacts to the area.

Findings:

The minimum regulatory requirements of R645-201-200 et al. have been addressed and are adequate.

COAL EXPLORATION: COMPLIANCE DUTIES

Regulatory Reference: R645-202-230. Operational Standards.
Regulatory Reference: R645-201-202-231. Habitats of Endangered Species

Analysis:

There are no known threatened or endangered species within the designated area of exploration.

The Price River and Willow Creek drainages are the only perennial streams within the exploration area which are capable of supporting fish. The permittee has indicated in this application that they have applied to the State Engineer's Office for a Temporary Change of Water No. T22409. This right will be used to obtain water in order to drill P98-29-4.

Findings:

The permittee has addressed the minimum regulatory requirements of the R645 rules.

Regulatory Reference: R645-201-202-232. Exploration Roads.

Analysis:

The existing road in Dry Canyon has been in place for many years and was previously used for both exploration and ranching activities. No new road construction disturbance will be necessary for this exploration activity. The existing road will be smoothed and watered as necessary to facilitate the exploration equipment.

Findings:

The Dry Canyon road was used for access to the area prior to the initiation of exploration activities; it will continue to provide access for ranching activities after the drill pads have been reclaimed. Obviously, the Dry Canyon road will not be reclaimed.

Regulatory Reference: R645-301-512.250. Primary Roads.

Analysis:

As noted above, there will not be new road construction disturbance associated with this minor exploration permit. The Dry Canyon road will not be classified as primary, and as such, does not need to meet any of the requirements for same.

Findings:

The exploration road is pre-existing and will not be upgraded to primary classification. All rules relating to primary roads are not applicable.

Regulatory Reference: R645-301-526.200. Road Classification

Analysis:

The Dry Canyon road is pre-existing, and will only be used for this exploration hole. It will not be classified as either primary or ancillary. 526.200 is not applicable.

Regulatory Reference: R645-301-527.230. Maintenance Plan.

Analysis:

The road will be graded and watered as necessary to facilitate the drilling machinery utilized during this exploration activity. Snow removal will be performed, as necessary, utilizing side cast methods. Upon completion of the exploration activity, no maintenance will be performed on this road, except on an "as needed" basis.

Findings:

The application meets the minimum regulatory requirements for 527.230.

Regulatory Reference: R645-301-534.100. Road Specifications/Maintenance/Reclamation

534.110. The Dry Canyon road is located on fee ground owned by Cyprus Plateau Mining Corporation. Post exploration, maintenance will be on an as needed basis only.

534.120. The Dry Canyon road will not be surfaced for this exploration activity.

534.130. The existing road has been in place for many years in the bottom of Dry Canyon. This rule is not applicable.

534.140. The Dry Canyon road is pre-existing, and provides access to an existing monitoring well location. This road is also access for the approved post mining land use.

534.150. The permittee has committed to implement erosion control measures, including, but not limited to the diversion of overland flows through the use of berms, silt fences, water bars, etc. This meets the minimum regulatory requirement.

534.200. The existing road is adequate to provide access for the drilling and construction equipment. Berms will be used to divert flows which may cause erosion or stability problems in or adjacent to the Dry Canyon road.

Findings:

The submittal adequately addresses the R645 requirements relating to exploration access roads.

TOPSOIL REMOVAL/STORAGE

Regulatory Reference: R645-202-233. Topsoil Removal, Storage, and Redistribution

Analysis:

The existing Dry Canyon access road will not be widened or lengthened; there will be no need to side cast any topsoil from same. The exploration pad for P98-29-4 will be made by essentially widening the road at the pad location. The submittal commits to salvaging the topsoil or growth media in this area and stockpiling it such that it is unaffected by the drilling activities. During reclamation, this material will be redistributed on the new disturbance associated with the pad construction.

Findings:

The minimum regulatory requirements for 202-233 have been met.

Regulatory Reference: R645-202-234. Diversions of Overland Flows/Streams

Analysis:

Diversions of overland flows will be made as necessary; no major diversions are anticipated during this project. It will not be necessary to divert any channel flows during the course of this project.

Findings:

The minimum regulatory requirements of 202-234 have been met.

Regulatory Reference: R645-202-235. Impacts to Hydrologic Balance
R645-356.300, 356.400. Siltation Structures

Analysis:

There will be no siltation structures implemented for this minor coal exploration permit. All flows will be treated using berms, water bars, silt fences, or straw bales to divert and/or reduce flow velocities. These structures will be maintained until the vegetation in the area has been re-established.

Findings:

The minimum regulatory requirements for 356.300 and 356.400 have been met.

Regulatory Reference: R645-301-512.240, 513.200, 514.300, 515.200, 533.100, 533.210,
533.220, 533.300, 533.400, 533.500, 533.600,
Impoundments

Analysis:

The aforementioned regulations address impoundments; there will be no impoundments associated with this minor coal exploration.

Findings:

There are no impoundments associated with this minor coal exploration. These regulations are not applicable.

Regulatory Reference: R645-301-731.100. Hydrologic Balance Protection
Regulatory Reference: 731.110, 731.111. Ground Water Protection, Handling of Earth
Materials and Runoff

Analysis:

The submittal commits to handling earth materials and runoff in a manner that protects ground water quality. Mud pits will allow evaporation of water, reducing the chances for this to run into ground water systems near the pad. The borehole will be plugged for its entire length to prevent the mixing of contaminated surface flows with any ground water systems.

Findings:

The minimum regulatory requirements of 731.110 and 731.111 have been met.

Regulatory Reference: 731.112. Restoration of Approximate Premining Recharge

Analysis:

This regulation relates to surface coal mining and reclamation activities; these are not relative to this minor coal exploration application.

Findings:

These regulations are not applicable.

Regulatory Reference: R645-301-731.120, 121,122 Surface Water Quantity and Quality Protection

Analysis:

The submittal commits to protecting surface water quality by capturing all drilling fluids in a mud pit where evaporation will decrease the volume of material present. Remaining material will be contained in the pit very near surface strata. The mud pits will be built to ensure protection of surface water. If the pits become overly full during the drilling cycle, they will be pumped down and the material will be hauled to an approved disposal site within the permit area.

Findings:

The minimum regulatory requirements of the R645 rules have been met.

Regulatory Reference: R645-301-731.200-213, 713.214-214.2, 731.215, 220, 221, 222.
Water Monitoring

Analysis:

Hole P98-29-4 is an exploration hole whose sole purpose is to obtain geologic information about the thickness of the "K" seam and it's relative quality. This hole will be plugged immediately after completion of the drilling activities. The hole will not be used for water monitoring purposes.

Findings:

This regulation is not applicable as the borehole will not be used for water monitoring purposes.

Regulatory Reference: R645-301-731.800. Water Rights and Replacement

Analysis:

This regulation is not applicable to this minor coal exploration submittal.

Findings:

This regulation is not applicable to this minor coal exploration submittal.

Regulatory Reference: R645-301-742.200. Siltation Structures
-742.210 through 742.214, 742.220 through 742.240

Analysis:

There are no sediment ponds associated with this minor coal exploration application. The aforementioned regulations are not applicable.

Findings:

The R645 rules relative to sediment ponds are irrelevant with regard to this minor coal exploration submittal.

Regulatory Reference: R645-301-742.300. Diversions

Analysis:

Diversions have been previously addressed within this submittal under R645-202-234.

Findings:

See "Findings" under R645-202-234.
(The minimum regulatory requirements of 202-234 have been met.)

Regulatory Reference: R645-301-763. Siltation Structures.

Analysis:

There are no siltation structures associated with this minor coal exploration application.

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Findings:

These regulations are not applicable.

Regulatory Reference: R645-202-236. Acid or Toxic Forming Materials

Analysis:

Acid and toxic forming materials will not be used during this drilling project. Drill cuttings will be contained and buried in the mud pits. If fresh core is collected, it will be taken off site. Fuel spills will be contained, collected, and taken off site for proper disposal.

Findings:

The submittal meets the minimum regulatory requirements for this rule.

Regulatory Reference: R645-202-240, 241, 242, 242.100, 242.200. Reclamation Standards.

Analysis:

The submittal commits to returning the drill pad to the contour configuration existing prior to the exploration activity. The pad will be created by widening the existing road to meet the necessary space requirements. For reclamation, the new disturbance will be scarified and re-seeded utilizing the seed mix which has been pre-approved (Table 5.3-2) in the Willow Creek mining and reclamation plan. Seeding will be done during the first season following completion of the drilling activities.

Findings:

This minor coal exploration application meets the minimum regulatory requirements for reclamation standards.

Regulatory Reference: R645-202-243. Reclamation of Boreholes.

Analysis:

The submittal commits to plugging P98-25-4 for it's entire depth upon completion of the drilling and geologic logging activities. This will be performed by the licensed driller.

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Findings:

The submittal meets the minimum regulatory requirements of the R645 rules.

Regulatory Reference: R645-202-244, 244.100, 244.200, 244.300. Equipment Removal/Site Reclamation

Analysis:

The submittal commits to removing all drilling equipment from the site and reclaiming same to the standards established by the R645 rules. The minimum regulatory requirements have been met.

Findings:

The minimum regulatory requirements for the aforementioned regulations have been met.

BONDING

Analysis:

The current bond amount for the Willow Creek site is \$11, 949, 205.00. A reclamation cost figure of \$24,000 per borehole for amendment 98D was established through cooperation with Mr. Wayne Western, Reclamation Specialist (bond evaluations) of the SLC-DOGM. This amount is 0.2 percent of the total bond amount, which is less than the minimum 5 percent rule requiring bond revision.

Findings:

It is not necessary to revise the bond amount in order to reclaim P98-24-4. The minimum regulatory requirements for reclamation bonding have been met.

CONCLUSIONS AND RECOMMENDATIONS

Submittal ACT/007/038-98H adequately addresses the minimum regulatory requirements for minor coal exploration, for notice of intent to conduct, and performance standards relative to coal exploration and reclamation activities. It is recommended that this submittal be approved as submitted.