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

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June 5, 1998

To: File

Thru: Joe Helfrich, Permit Supervisor, Compliance JCH

From: Peter Hess, Reclamation Specialist III PH

RE: Notice of Intent to Conduct Minor Coal Exploration, Cyprus Plateau Mining Corporation, Willow Creek Mine, ACT/007/038-98C, Carbon County, Utah

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SUMMARY:

Cyprus Willow Creek is proposing to drill three water monitoring wells within the UDOT right-of-way approximately 1.2 miles northeast of mile post 158 along State highway 191. These wells, designated as B-13, B-14, and B-15, will be used to obtain both geologic and hydrologic data; the hydrologic information obtained will be with regard to the in-ground water recharge rate of the K-seam workings. A mine inundation in July of 1997 caused by the interception of waters from the K-seam workings has resulted in a remedial action from the DOGM to revise the PHC. Cyprus is anticipating attempting to dewater the K-seam in order to prevent future difficulties in their underground mining operation. These wells will hopefully provide adequate information to assist in the design of this dewatering system.

This minor exploration permit was received by the DOGM on May 26, 1998.

TECHNICAL ANALYSIS:

MINOR COAL EXPLORATION

Regulatory Reference R645-200-122.

Analysis:

Less than 250 tons of coal will be removed with the drilling of the three wells. Borehole depths will be 50, 100 and 200 feet respectively. This submittal qualifies as a minor exploration permit.

Findings:

The information provided in this proposed exploration amendment is adequate to meet the requirements of the R645 regulations.

NOTICE OF INTENT TO CONDUCT MINOR COAL EXPLORATION

Regulatory Reference R645-201-200, 210-224.

Analysis:

ACT/007/038-98C adequately addresses the requirements of R645-201-210 to 224.

Findings:

The information provided in this proposed exploration amendment is adequate to meet the requirements of the R645 regulations.

METHOD OF EXPLORATION/RECLAMATION OF THE AREA

Regulatory Reference R645-201-225.

Analysis:

Exploration drilling will utilize air rotary methods. There will be no need to construct mud pits with this type of coring. Although the exploration will take place within the UDOT seventy-five foot from highway center right-of-way, the adjacent ground is fee, owned by Cyprus Western Coal Company by lease from Blackhawk Coal Company.

The permittee has applied for and received a permit from the UDOT, Price District, to construct an access road off of Highway 191 to the drill sites. As noted above, all holes and the access road are within the UDOT seventy-five foot right-of-way. Topsoil/vegetation removal will incorporate side casting methods. The boreholes themselves will be drilled on or in very close proximity to the roadway, minimizing disturbance.

Regulatory Reference R645-202-200. Performance Standards.

R645-202-231.

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

R645-202-232.

The ancillary exploration road will have an approximate length of 375 feet and an approximate width of 15 feet. The permittee has adequately addressed the requirements of R645-202-232 with regard to ancillary roads. The road will be reclaimed as soon as practical. As all hole locations are less than 100 feet from State highway 191, access to them will be easy, even after the road is reclaimed. The boreholes are not expected to be used for long term water monitoring purposes.

R645-202-234.

The installation of major diversions will not be necessary for the installation of the exploration road. Any overland flows will be diverted using water bars, ditches, and/or culverts if the permittee finds it necessary to do so. There are no major drainages to be crossed. The permittee has met the requirements of R645-202-234.

R645-202-235.

Protection of surface water quality will be accomplished by utilizing berms, silt fences, straw bales and similar sediment control devices. The Willow Creek channel lies from 75 to 110 feet away; grasses and other native vegetation, plus the utilization of artificial sediment control will protect the quality of the undisturbed flow from any impacts caused by the access road and the borehole pads. These controls meet the requirements of R645-301-356.300, 356.400, 742.210, 742.211, and 301-532

R645-202-236.

This ancillary exploration road will not be surfaced; therefore, no acid or toxic forming substances will be utilized. The requirements of R645-202-236 have been met.

R645-202-240. Reclamation Standards.

R645-202-241.

The permittee is committed to reclaiming the three boreholes and the exploration road to approximate original contour. The gently sloping terrain in this area will not be a problem in returning the area to approximate original contour. The requirements of this performance standard have been adequately addressed.

R645-202-242., 242.100, 242.200.

The permittee is committed to revegetating the recontoured/reclaimed areas utilizing the permanent seed mix shown in Table 5.3-2 of the Willow Creek mining and reclamation plan. Seeding will be completed during the first acceptable seeding window following completion of the exploration program. The requirements of this performance standard have been met.

R645-202-243.

The permittee is committed to reclaiming the access road and the borehole areas. Grouting of the holes from bottom to collar will be achieved. The requirements of this performance standard have been met.

R645-202-244.

The permittee is committed to removing all machinery, debris, etc. from the area upon completion of the holes, and prior to reclamation. The requirements of 202-244. have been met.

Findings:

The information provided in this proposed exploration amendment is adequate to meet the requirements of the R645 regulations for exploration methods of operation.

BONDING

R645-301-800-880.

Analysis:

The current bond amount for the Cyprus Willow Creek Mine is $11,949,205.00. The DOGM does not require bond revisions for cumulative activities that do not increase the existing bond by more than five percent. The permittee has indicated that this proposed exploration activity will not add significantly to the amount already accrued against the bond to where it exceeds the five percent rule. The amount accrued against the existing bond as of 6/4/98 is $60,400.00. In order to exceed the five percent rule, $597,460.00 of cumulative increases will have to be proposed and approved. This submittal meets the requirements of the aforementioned regulation.

Findings:

The information provided in this proposed exploration amendment is adequate to meet the requirements of the R645 regulations with regard to the bonding of underground mining related activities.

RECOMMENDATION

Based on the aforementioned analysis and findings concerning ACT/007/038-98C, Minor Coal Exploration Application, I recommend that the proposed amendment be approved.

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enclosure