



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

August 25, 1999

To: File

Thru: Pamela Grubaugh-Littig, Permit Supervisor, Compliance *Page*
Daron Haddock, Permit Supervisor, Permitting *DRH*

From: Peter Hess, Reclamation Specialist III *PH*

RE: Resource Recovery Evaluation, RAG American Coal Holding Inc. Et al., Willow Creek Mine, ACT/007/038, Carbon County, Utah *#7*

In reference to Mr. Johnny Pappas' letter of August 19, 1999, I would like to add the following comments relative BTU Resource Recovery from School House Canyon Refuse Facility:

- 1) Although it does not state so in the 8/19/99 letter, the justification behind this BTU resource recovery process is to enhance the ash fusion temperature requirement of the coal supply contract with Intermountain Power Agency. This contract is very important to the survival of this mining operation, as well as to the operation of the Delta plant. The BTU's which will be recovered will be of a lower quality than what is recovered by the normal coal washing process. In other words, the current washing process is too good relative to BTU requirements to meet ash fusion levels within the IPA contract. It is surmised that this lower level BTU recovery will only be temporary, as once the Mine returns to the production levels generated by longwall mining, a crusher at the SC-1/SC-2 transfer (already permitted through UDNR/OGM) will allow the complete bypassing of the Preparation plant.
- 2) Mr. Pappas' letter commits to maintaining all performance standards inherent within the School House Canyon pile design.
- 3) All lower BTU tonnages which will be recovered will be added to the product currently stored at the clean coal storage area at some point prior to loading in the rail cars. What point at which that will be done is still under determination by the permittee. As IPA trains are loaded, a belt scale in the coal loading facility will automatically monitor the tonnages which have been reintroduced, hence providing totalized tonnage figures for the determination of AML fees.

Resource Recovery Evaluation

ACT/007/038

August 25, 1999

Page 2

- 4) As you are aware, coal is a poor heat transmitting material and a reduction of the percentage of combustible content within the School House pile will enhance its resistivity to spontaneous combustion. According to Plateau personnel, approximately six to seven percent (i.e., 600 to 700 tons per 10,000 ton train) will need to be added of this lower BTU coal to meet the acceptable ash fusion temperature requirement. This, plus the additional recovery of the resource are certainly positive aspects of the process.

- 5) The permittee has committed to implementing a mobile crushing and screening facility through proper UDNR/OGM permitting action. Temporary storage of the material has been addressed within the 8/19/99 letter; the storage will take place on two previously permitted areas of the disturbed area. Drainage from the two areas will report to currently implemented sediment control structures. The permittee has been verbally informed that the storage of the material on a temporary basis is to be performed using prudent engineering practices that will ensure that failures of same will not create any environmental or safety hazards.

sd

C:\SHARED\WP\PETE\MINES\WILLOWCR.EEK\MEMOS\RESOURCE.REC