



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

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June 5, 2000

Johnny Pappas, Sr. Environmental Engineer
Plateau Mining Corporation
847 Northwest Highway 191
Helper, Utah 84526

Re: Findings for Waste Rock Amendment, Plateau Mining Corporation, Willow Creek Mine,
ACT/007/038-AM00D, Outgoing File

Dear Mr. Pappas :

The above-referenced amendment has been reviewed and there are deficiencies that must be adequately addressed prior to approval. A copy of our technical analysis is enclosed for your information. Please respond to these deficiencies by September 5, 2000

If you have any questions, please feel free to call.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

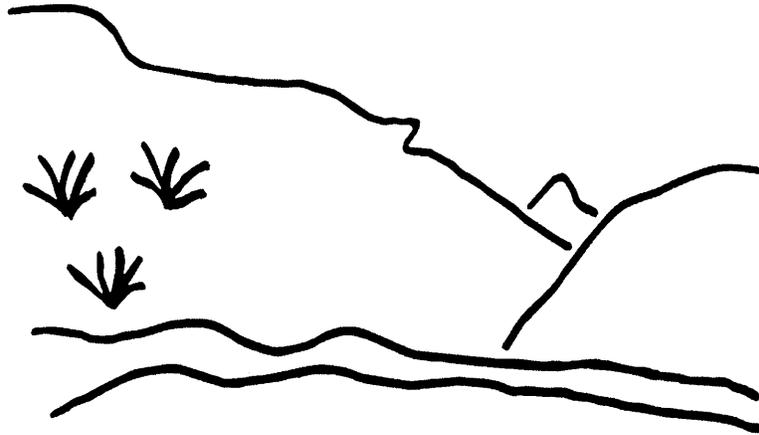
Daron R. Haddock
Permit Supervisor

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Enclosure:

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Willow Creek Mine
Coal Mine Waste Rock
ACT/007/038-AM00D
Technical Analysis
May 24, 2000

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INTRODUCTION

INTRODUCTION

On April 21, 2000, the Division received amendment ACT/007/038-AM00D entitled the Willow Creek Mine Coal Mine Waste Rock Amendment. The review team consisted of Bob Davidson, Pete Hess and Wayne Western. The permittee wants to amend their MRP to use material from the refuse pile for road base on surface and underground mines. The review team approved the use of the material for underground road base but not for the surface.

SUMMARY OF OUTSTANDING DEFICIENCIES

The Technical Analysis regarding the proposed permit changes is not complete at this time, pending submittal of additional information by the Permittee and further review by the Division, to address outstanding deficiencies in the proposal. A summary of those outstanding deficiencies is provided below. Additional comments, concerns, and deficiencies may also be found within the analysis and finding make in the Draft Technical Analysis which have not been presented in this summary. Upon finalization of this review, any outstanding deficiencies will be evaluated for compliance with the regulatory requirements. Such deficiencies may be conditioned to the requirements of the permit issued by the Division, result in denial of the proposed permit changes, or may result in other executive or enforcement actions as deemed necessary by the Division at that time to achieve compliance with the Utah Coal Regulatory Program.

Accordingly, the permittee must address those deficiencies as found within this Draft Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

- R645-301-528.320 and R645-301-746 through R645-301-746.120**, All coal mine waste will be properly placed and disposed of in an approved refuse location that minimizes adverse effects of leachate and surface water runoff on surface and ground water quality. 5

- R645-301-536**, The Division cannot approve the permittee's request to place coal mine waste (rock separated from the processing of the refuse pile) on surface roads inside or outside the permit area. R645-301-536 requires that for surface disposal of coal mine waste the material must be placed in a refuse pile. 6

OPERATION PLAN

OPERATION PLAN

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-230.

Analysis:

Disposal of Coal Mine Waste

The second phase of the BTU resource recovery program is to use the rock reject from the School House refuse material for graveling:

1. roads within the Willow Creek Mine, and
2. surface access roads and pads associated with the coal bed methane project, both within and outside the permit area.

The crusher reject is a coal processing waste (coal mine waste) and may be disposed of in underground mine workings in accordance with R645-301-536.520. Approval from MSHA has been given for hauling the waste rock reject back into the mine for the purpose of graveling the underground roadways (see amendment Exhibit 4). The physical nature of the rock waste will provide a durable surface for vehicle travel and help minimize dust within the mine. The Division concurs with the MSHA approval decision that the screened rock material from the School House Canyon refuse pile may be hauled back into the mine for the intended use of graveling and maintaining the underground, in-mine roads.

The second portion of the amendment requests that approval be given for using the screened rock waste from the School House Canyon refuse pile for graveling de-gassification well access roads and pad sites. Chemical and physical analyses of the material shows elevated sodium levels. Pertinent, selected results were reported as follows:

OPERATION PLAN

Sampling description and Date	pH	EC mmhos/cm	SAR	ESP %	Material Rating	DOGM Guidelines
Refuse Pile 8/27/99	8.4	2.27	33**	28	sodic	Unacceptable
Crusher Reject 12/13/99	8.7	1.96	49**	32	sodic	Unacceptable
Crusher Reject 2/23/00	9.4*	2.29	50**	32	sodic	Unacceptable
Road Base 2/23/00	11*	3.57	0.9		alkaline	Unacceptable

* exceeds pH>9

** exceeds SAR>15 for coarse texture

In every case, one or more parameter exceeds the Division's guidelines. Values for SAR are exceeded by a factor greater than 2 to 3 times the permissible limit in all of the crusher reject and refuse pile samples. The waste material therefore has a toxic rating and poses a significant reclamation hazard for surface soils and vegetation, and to surface waters and underground aquifers.

The crusher reject is a coal processing waste (coal mine waste). All coal mine waste and mine development waste, either toxic or non-toxic, must be disposed of underground or in an approved refuse pile. Removing the material from the refuse pile to areas not approved for surface disposal is against regulatory standards.

Findings:

Information provided in the application is not considered adequate to meet the requirements of this section of the regulations. The applicant must provide the following in accordance with:

R645-301-528.320 and R645-301-746 through R645-301-746.120, All coal mine waste will be properly placed and disposed of in an approved refuse location that minimizes adverse effects of leachate and surface water runoff on surface and ground water quality.

SPOIL AND WASTE MATERIALS

Regulatory Reference: 30 CFR Sec. 701.5, 784.19, 784.25, 817.71, 817.72, 817.73, 817.74, 817.81, 817.83, 817.84, 817.87, 817.89; R645-100-200, -301-210, -301-211, -301-212, -301-412, -301-512, -301-513, -301-514, -301-521, -301-526, -301-528, -301-535, -301-536, -301-542, -301-553, -301-745, -301-746, -301-747.

OPERATION PLAN

Analysis:**Coal Mine Waste**

The permittee processes coal mine waste to separate coal from the waste rock. The coal is sold as a product and the waste rock sent to the refuse pile. The permittee proposes to use that waste rock as road base for underground and surface roads. Besides being a source of road base the plan would reduce how much material goes to the refuse pile.

The permittee supports the plan by citing the regulations on disposal of coal mine waste in special area (See heading on Page 5.4-57 of the amendment). R645-301-536.500 addresses the disposal of coal mine waste in special areas. That regulations deals with the disposal of coal mine waste produced in one permitted area and sent for disposal in another permitted area. Instead of shipping the coal mine waste to another permitted area the permittee proposes to place coal mine waste outside the permit area or in areas within the permit boundary that have not been approved as refuse piles.

R645-301-536 requires that all coal mine waste be disposed in approved disposal areas within the permit boundaries. For underground mines those disposal areas are refuse piles and underground disposal area. Since the road inside the permit that the permittee proposes to place the coal mine waste are not approved disposal areas (refuse pile), the Division cannot approve that request.

R645-301-536.520 allows coal mine waste to be disposed in underground workings. The disposal plan must be approved by MSHA and the Division. MSHA reviewed the plan and approved the use of the coal mine waste to be used as underground road base. The Division also reviewed the request for underground disposal and concluded that the plan is adequate.

Refuse Piles

R645-301-536 requires that all coal mine waste be disposed in approved disposal areas within the permit boundaries. For underground mines those disposal areas are refuse piles and underground disposal area. Since the road inside the permit that the permittee proposes to place the coal mine waste are not approved disposal areas (refuse pile), the Division cannot approve that request.

Findings:

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

R645-301-536, The Division cannot approve the permittee's request to place coal mine waste (rock separated from the processing of the refuse pile) on surface roads inside or outside the permit area. R645-301-536 requires that for surface disposal of coal mine waste the material must be placed in a refuse pile.