



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO:
3484
USL-071737
(UT-932)

AUG 5 2002

*Also file Willow Creek
C/007/038v*

Mary Ann Wright
Division of Oil, Gas, and Mining
P.O. Box 145801
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

*Incoming
C/007/004*

*Copy Mary Ann,
Aaron, Amber, Pam
Dete (2-sided)*

Re: Crandall Canyon Shafts - Castle Gate #3 and #5 Mines

Dear Mary Ann:

Cyprus/RAG has committed to reclaim their properties in Utah. Based on this announcement, BLM has reviewed the permit revision that was approved by the Division of Oil, Gas, and Mining on January 23, 2002, in order to determine whether the sealing plans for the Crandall Canyon shafts meet the requirements under 43 CFR 3484.2 which states:

“Upon permanent abandonment of mining operations, the authorized officer will require that the unmined recoverable coal reserves and other resources be adequately protected. Upon completion of abandonment, the authorized officer will inform the responsible office of the surface managing agency and regulatory authority as to whether the abandonment has been completed in compliance with the rules of this part.”

The rules of this part indicate that,

“The abandonment of a mining area shall require the approval of the authorized officer.” (43 CFR 3484.1 (c)(7)) and “. . . ensure that other resources are protected upon abandonment.” (43 CFR 3484.1(b)(4))

We are notifying you prior to the start of abandonment that based on our technical determination the plans that were incorporated into the permit will **not** meet our requirements. Because the coal lease terminated due to lack of diligent development and the bond liability period has **not** terminated, BLM cannot approve the plan that is presented in the Mining Permit because the plan does not permanently abandon and protect the coal and other resources. At the present time the company has not received the Authorized Officer’s permission to permanently abandon this Federal coal. We are n

RECEIVED

AUG 06 2002

DIVISION OF

communication at this time in order to keep the operator from doing any unnecessary work at the site.

We have made a technical determination concerning the permanent abandonment of these coal resources and have concluded that it must include the following:

1. Protection of the coal.

a. Coal: The coal needs to be sealed off in the shaft at or above the highest coal seam. The coal requires protection from fire, oxidation, pollution from direct or indirect sources, and physical access and sealing from other strata above the coal. During our review of this situation and our current information we have determined that seals were not placed between the entries and the Crandall Canyon Shafts in the Castle Gate #3 and Castle Gate #5 mines. Therefore, the coal is considered to be open from the mine to the surface.

b. Structures: No structures such as caps that will require perpetual monitoring or maintenance agreements with the regulatory authority, the surface owner or the mineral owner will be allowed.

2. Protection of the other resources:

a. Water: Consideration for the water and or aquifers that were encountered in the shaft must be addressed in any plans to permanently close the shaft. This could include a review of existing portal closures to ensure that they are designed properly so that water exiting the mine due to the elevation differences in the shaft will not impact the existing closure structures.

b. Methane: Methane must be sealed as far as practical from escaping into the atmosphere. Methane is a resource that may be tapped into the future and should be conserved. Methane that is filling into an open shaft will not be acceptable due to the fact that this would be a storage facility and it would require an authorization by BLM.

We feel the operator should be required to provide a shaft closure plan to mitigate the above concerns of the BLM along with any other concerns that DOGM may also have. People experienced in completing deep shaft closures should prepare the plan. Along with the items listed above, the steel in the Intake shaft should be addressed as far as removal or letting it remain in the shaft. This plan would have to be approved by DOGM, BLM and possibly MSHA depending upon the approach taken. In order for us to properly review the plan we would require information on the shaft such which would include but not be limited to, drawings of items in the shaft, shaft station locations and designs, utilities lines in the shaft, and water influx into the shaft.

Because this issue has quickly moved from a temporary closure to a permanent closure, we feel that it is necessary to immediately have a financial security on this issue. 43 CFR 3474.6 states;

“The authorized officer shall not consent to termination of the period of liability under the lease bond unless an acceptable substitute bond has been filed or until all terms and conditions of the lease have been fulfilled.”

Our bond on this lease is a surety held by three companies. They are St. Paul Fire and Marine, Nation Union Fire Insurance Company of Pittsburgh,,PA, and Travelers Causality and Surety Company. The bond for this lease is only at \$10,000, which is not

sufficient to cover the liabilities on the site. At the present time we have bonds on the Willow Creek mine lease UTU-73975 that are in excess and could be used for this situation if the company would place a rider on the bond to include this project. If DOGM would like to bond for this operation, BLM would be in agreement with this situation. We presently feel that about \$2,000,000 will cover this action. The bond then could be adjusted after the plan is approved.

For further information, please contact Mr. Stan Perkes at (801) 539-4036.

Sincerely,



Jim Kohler
Chief, Solid Minerals Branch

cc: PFO
Richard Gates, Mine Safety and Health Administration, P.O. Box 25367, DFC,
Denver, CO. 80225-0367 (730 Simms Street, Room 440, Golden, CO 80401-
4798)
USL-071737
Chron file