



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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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)

August 17, 2001

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Re: Findings for Sediment Gilson Seam, Canyon Fuel Company, LLC, Dugout Mine,
C/007/039-AM01G, Outgoing File

Dear Mr. Taylor:

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 November 10, 2001, or within 90 days or the Division will return your application.

If you have any questions, please feel free to call Steve Demczak at (435) 613-5242, or me at (801)-538-5325.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock".

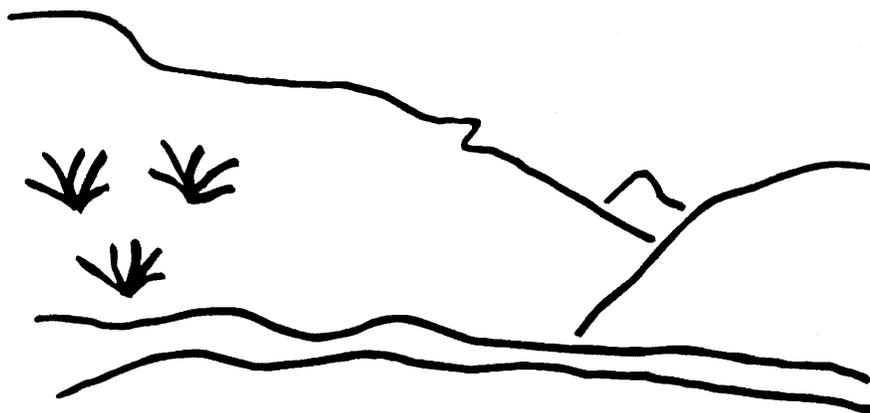
Daron R. Haddock
Permit Supervisor

sd
enclosure

cc: Gary Taylor, Canyon Fuel Company, LLC
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Dugout Mine
Canyon Fuel Company
C/007/039-AM01G
Technical Analysis
August 10,2001
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INTRODUCTION

TECHNICAL ANALYSIS

INTRODUCTION

Canyon Fuel has submitted an amendment requesting to pump sediment pond water into the abandoned Gilson Mine during pond clean out at the Dugout Mine. This mine is located on the east and west sides of the Canyon. The permittee is in the process of receiving MSHA approval to pump water into the abandoned mine.

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INTRODUCTION

SUMMARY OF OUTSTANDING DEFICIENCIES

SUMMARY OF DEFICIENCIES

The Technical Analysis of the proposed permit changes cannot be completed at this time. Additional information is requested of the permittee to address deficiencies in the proposal. A summary of deficiencies is provided below. Additional comments and concerns may also be found within the analysis and findings made in this Draft Technical Analysis. Upon finalization of this review, any 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 action 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:

Regulations

- R645-301-731-511.1** – A demonstration by the permittee must show that the discharge will minimize disturbance to the hydrologic balance on the permit area, prevent material damage outside the permit area, and otherwise eliminate public hazards resulting from coal mining and reclamation..... 6
- R645-301-731-511.3** – The permittee must give the maximum quality of water that would be pumped underground during sediment pond clean out and identify which water quality standards or effluent limitations will be exceeded..... 6
- R645-301-731-511.4** - The permittee must receive an approval from MSHA to pump water into an underground mine workings. 6

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SUMMARY OF OUTSTANDING DEFICIENCIES

OPERATION PLAN

OPERATION PLAN

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Minimum Regulatory Requirements:
Discharges into an underground mine

Discharges into an underground mine are prohibited, unless specifically approved by the Division after a demonstration that the discharge will: minimize disturbance to the hydrologic balance on the permit area, prevent material damage outside the permit area and otherwise eliminate public hazards resulting from underground mining activities; not result in a violation of applicable water quality standards or effluent limitations; be at a known rate and quality which shall meet the effluent limitations for pH and total suspended solids, except that the pH and total suspended solids limitations may be exceeded, if approved by the Division; and, meet with the approval of the Mine Safety and Health Administration.

Analysis:

Discharges

The permittee is requesting to pump sediment pond water during clean out into the Gilson Mine. This mine has been sealed for several years and is located on the east and west sides of the canyon. This action requires MSHA approval under R6450-301-513 and R645-731.511.4. Currently, Canyon Fuel is in the process of receiving an approval.

The permittee has to make a demonstration that the discharge will minimize disturbance to the hydrologic balance on the permit area, prevent material damage outside the permit area, and otherwise eliminate public hazards resulting from coal mining and reclamation operations. This information was not addressed in the submittal.

The permittee must give the maximum quality of water that would be pumped underground during a sediment pond clean out and identify which water quality standards or effluent limitations will be exceeded.

Findings:

The permittee has not met the requirements of the Utah Coal Rules R645 301-731.511 thru R645-301-731.511. Prior to approval, the operator must provide the following in accordance with:

R645-301-731-511.1 – A demonstration by the permittee must show that the discharge will minimize disturbance to the hydrologic balance on the permit area, prevent material damage outside the permit area, and otherwise eliminate public hazards resulting from coal mining and reclamation.

R645-301-731-511.3 – The permittee must give the maximum quality of water that would be pumped underground during sediment pond clean out and identify which water quality standards or effluent limitations will be exceeded.

R645-301-731-511.4 - The permittee must receive an approval from MSHA to pump water into an underground mine workings.