

February 12, 2003

TO: Internal File

FROM: Peter H. Hess, Environmental Scientist III/ Team Lead

RE: Addition of Small Substation, Canyon Fuel Company, LLC, Dugout Mine, C/007/039-03A

SUMMARY:

The permittee submitted a proposed revision to the mining and reclamation plan which would allow the addition of a small electrical substation within the Mine site disturbed area. This proposal was received in the Price Field Office on January 14, 2003. The location is immediately adjacent to the ancillary road leading to the main electrical substation. The current use of the area is for the storage of mining related apparatus, including dynamite and detonator storage magazines.

TECHNICAL ANALYSIS:

ENVIRONMENTAL RESOURCE INFORMATION

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

SOILS RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.21; 30 CFR 817.22; 30 CFR 817.200(c); 30 CFR 823; R645-301-220; R645-301-411.

Analysis:

Plate 2-2 of the MRP shows the soil type as OB, mixed disturbed overburden adjacent to soil type 96, Rock Outcrop-Rubbleland-Travessilla Complex. These OB soils are the potential borrow area #1 described in Appendix 2-6 of the MRP.

TECHNICAL MEMO

According to the 1988 Carbon County Soil Survey, Travesilla soils are described as very gravelly fine sandy loam and typically have a depth of 20 inches over bedrock.

Findings

The information provided in the MRP adequately describes the soil resource.

OPERATION PLAN

TOPSOIL AND SUBSOIL

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

Analysis:

Removal and Storage

Enlarging the pad area for construction of the small substation will require removal of additional Rock Outcrop Rubbleland-Travesilla complex soils. The area of enlargement is expected to be 25 square feet (Plate 5.2). The application indicates that 30 cu yds of additional soil will be generated from this cut.

The soil will be stored at the topsoil storage area along the Soldier Canyon road. The Permittee has agreed to provide a more exact volume of soil transported to the storage area in Table 2-2 with "As-Built" information.

Concrete and gravel will be placed on the surface of the pad prior to construction (page 5-15). These materials should provide protection to the in place disturbed soils (Area #1 OB soils) that may be utilized during final reclamation as substitute topsoil.

Findings:

The information provided is adequate to meet the requirements of the Regulations, with the understanding that the volume of soil transported to the soil storage pile will be reported in Appendix 2-6 and Table 2-2 with the "As-Built" submittal in accordance with R645-301-231.400.

SUPPORT FACILITIES AND UTILITY INSTALLATIONS

Regulatory Reference: 30 CFR Sec. 784.30, 817.180, 817.181; R645-301-526.

Analysis:

The permittee is proposing to install a secondary electrical substation in the small-unnamed canyon located west of the Dugout Mine shop/office/bath house/warehouse building. Access to the new substation will be provided by the constructed ancillary road leading to the Main Substation. The area has been disturbed and is currently used for the storage of mining related materials. This is the current location of the dynamite and detonator storage magazines. As such, most of the topsoil has been recovered and is stored at the Dugout Canyon topsoil storage facility that is located adjacent to the permitted storage site for the Soldier Canyon Mine.

A very large rock exists on the west side of this small canyon. It is the permittees intent to use a hydraulic pick to break this rock in order to reduce its size such that it can be handled by construction machinery.

The area that will be encompassed by the fenced perimeter encompasses sixty-five feet by sixty-two feet, or approximately 0.093 acres. A concrete pad will cover much of this; gravel will cover the remainder. Although this area could probably be considered as an "alternate sediment control area", the permittee indicates that any sheet flow reporting from this area will flow into the ditch designated as DD-8, thence to the sediment pond.

Findings:

The information provided meets the minimum regulatory requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

The permittee has submitted a revised PLATE 5-2, SURFACE FACILITIES map of the disturbed area mining facilities that depicts the location of the secondary substation. The drawing is stamped, signed and dated by David G. Spillman, Utah registered professional engineer and manager of technical services for this Canyon Fuel Company operation.

The proposed location for disturbance is shown on Plate 5-2. The area of enlargement appears to be about twenty-five square feet. This change in surface configuration affects cross section Y-Y' on Plate 5-3 (4). The Permittee has verbally agreed to revise the cross-section Y-Y' on Plate 5-3(4) after the construction of the sub-station is completed.

TECHNICAL MEMO

The information provided is adequate to meet the requirements of the Regulations, with the understanding that the cross section Y-Y' on Plate 5-3(4) will be provided as an "As-Built" drawing in accordance with R645-301-521.141.

Findings:

The submitted PLATE 5-2 meets the minimum regulatory requirements of this section.

RECLAMATION PLAN

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-240.

Analysis:

Redistribution

Enlargement of the storage pad to make way for the small substation will not affect the topsoil mass balance calculations provided in the MRP Appendix 2-6. The OB soils in this area have the potential for use as substitute topsoil, but the Area #1 volumes were not calculated into the topsoil volumes for Dugout Mine. Enlarging the pad may generate an additional 30 cu yds of topsoil. The salvageable topsoil volume will be dependent upon the size of a large rock (the size of a truck) that is embedded in the slope (see photographs taken on February 4, 2003). The additional volume will be added to calculations in Appendix 2-6 and Table 2-2 of the MRP.

Findings:

The information provided addresses the minimum reclamation topsoil and subsoil requirements of the regulations.

STABILIZATION OF SURFACE AREAS

Regulatory Reference: 30 CFR Sec. 817.95; R645-301-244.

Analysis:

The soils to be disturbed are Rock Outcrop Rubbleland-Travessilla soils. These soils have erosion factors (K) between 0.10 and 0.37 according to the 1988 Carbon County Soil Survey. The cut made into the exposed Travesilla soil will be highly susceptible to erosion from water. The plan indicates on Page 2-32 that the cut slope will be left at a 2h:1v and seeded with the interim mix (Section 341.200) to provide stability during operations in accordance with R645-301-742.113.

Findings:

Information provided in the application is adequate to control erosion as required by the Regulations.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

The permittee has submitted a reclamation bond estimate for the secondary substation area. Same includes demolition costs for the substation's steel structure and the concrete pad. Also included are equipment mobilization costs and usage. The permittee anticipates that the entire cost to demolish this secondary substation is \$2,849.00.

The reclamation bond for the Dugout Canyon Mine is \$1,759,000 in 2007 dollars. The present bond on file with the Utah Division of Oil, Gas, and Mining exists in the amount of \$3,682,000.00. This should be sufficient to cover the reclamation bond of \$1,759,000.00 and future revisions to the bond, (i.e., \$2,849.00 to reclaim the secondary substation).

Findings:

The amount of reclamation bond on file is more than adequate to cover the reclamation costs associated with the secondary substation. The information provided meets the minimum regulatory requirements of this section.