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INCOMING  
C/007/039



Canyon Fuel Company, LLC  
Dugout Canyon Mine  
P.O. Box 1029  
Wellington, Utah 84542

March 17, 2005

Ms. Pamela Grubaugh-Littig  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

RE: SITLA Lease Amendment - Revisions to Chapter 3, Task #1915, 2083 - Dugout Canyon Mine, Canyon Fuel Company, LLC, C/007/039, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Attached please find four copies of an amendment which reflex revisions to the raptor and bat survey information and supporting information for information presented under the subheading "Possible Short-Term and Long-Term Impact to Species Dependent on Springs, Creeks and Drainages". The revisions were discusses with Jerriann Ernstsens prior to their being submitted.

A copy of this submittal has been delivered to the Price field office.

Thank you for your assistance and if you have any questions, please call me at (435) 636-2869.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Vicky S. Miller".

Vicky S. Miller

cc: Dave Spillman  
Pete Hess

RECEIVED  
MAR 18 2005

DIV. OF OIL, GAS & MINING



## APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Canyon Fuel Company, LLC

**Mine:** Dugout Canyon Mine

**Permit Number:** C/007/039

**Title:** SITLA Lease Amendment - Revisions to Chapter 3 Task ID # 1915, 2083

**Description,** Include reason for application and timing required to implement:

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes  No 1. Change in the size of the Permit Area? Acres: 2,360 Disturbed Area: \_\_\_\_\_  increase  decrease.
- Yes  No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- Yes  No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes  No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes  No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes  No 6. Does the application require or include public notice publication?
- Yes  No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes  No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes  No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- Yes  No 10. Is the application submitted as a result of other laws or regulations or policies?  
*Explain:* \_\_\_\_\_
- Yes  No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes  No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes  No 13. Does the application require or include collection and reporting of any baseline information?
- Yes  No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes  No 15. Does the application require or include soil removal, storage or placement?
- Yes  No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes  No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes  No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes  No 19. Does the application require or include certified designs, maps or calculation?
- Yes  No 20. Does the application require or include subsidence control or monitoring?
- Yes  No 21. Have reclamation costs for bonding been provided?
- Yes  No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes  No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you.** (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

David Spillman  
Print Name

David Spillman Engineering Manager  
Sign Name, Position, Date

Subscribed and sworn to before me this 17 day of MARCH, 2004

Vicky Sue Miller  
Notary Public

My commission Expires: 1-5, 2008  
Attest: State of UTAH } ss:  
County of CARBON



|   |  |   |
|---|--|---|
| <b>For Office Use Only:</b><br><br><br> | <b>Assigned Tracking Number:</b><br><br> | <b>Received by Oil, Gas &amp; Mining</b><br><div style="font-size: 1.5em; font-weight: bold; margin: 5px 0;">RECEIVED</div> <div style="font-size: 1.2em; font-weight: bold; margin: 5px 0;">MAR 18 2005</div> <div style="font-weight: bold; margin: 5px 0;">DIV. OF OIL, GAS &amp; MINING</div> |
|---|--|---|

Rock Canyon crosses area used by deer as winter range, however traffic is sporadic during the winter months and heavier during the summer and fall months.

### Raptors

Golden eagles are a common year long resident of the area, with suitable nesting habitat spread throughout the permit area. The cooper's hawk is known to nest in the permit area.

A variety of falcons are year long residents of the area, utilizing cliffs for their nests. To date there are no known aerie sites for falcons within or immediately adjacent to the disturbed area.

Raptors were studied during the 1979 - 1980 UDWR transect study, in 1981 by Janet Lee Young and by Hayden-Wing Associates in 1984. These reports are provided in Appendix 3-3.

Raptor nest surveys were done by the UDWR in 1995, 1997, 1998, and 1999. The nest locations identified in 1997 and 1998 are shown on Plate 3-2 in the mine's UDOGM confidential folder (confidentiality required by UDWR). All nests located in the 1997 survey were cliff nests (Ben Morris, UDWR, January 20, 1998). All nests located in the 1998 and 1999 surveys were cliff nests.

~~Raptor nest surveys will be conducted annually in the Spring prior to mining activities or potential subsidence within the permit area and in proposed expansion areas to the permit to obtain base line data.~~

### Migratory and Song Birds

Birds were studied during the 1979 - 1980 UDWR transect study. However, a more extensive study was done by Hayden-Wing Associates in 1984. Their report can be found in Appendix 3-3.

### Reptiles and Amphibians

Increasing elevation rapidly reduces the number and kind of reptiles and amphibians. Furthermore, in Utah the effects of the more northern latitude reduces the number of herptiles in much the same way as does the increase in elevation.

A survey for bats was performed by Mark Perkins in September of 1997. A report of this survey is included in Appendix 3-3 with a figure showing the bat survey locations. Future surveys for bats will be done concurrent with raptor surveys within the permit boundary prior to cliff disturbing planned subsidence. Pertinent data gathered in these surveys will be included in this M&RP.

No data or definition was available to determine the criteria for an area to be classified as of "unusually high value" for bats. However, since extensive rock faces, cliffs, and escarpments are present throughout the Book Cliffs Region, the land within the permit boundary is not unusual or unique to the area. The Castlegate Sandstone, Blackhawk, and Price River are the cliff forming formations present in the Dugout Canyon area. Refer to Chapter 6 for descriptions of these formations and Plate 3-3 for their locations.

In the Perkins-Dugout Mine Bat Survey the following statement was made "development plans for the proposed disturbance area contains some mitigation for resident bat species. A proposed runoff pond will likely provide accessible year round water and an associated bio-mass. Presently Dugout Creek is not classified as a perennial stream. In addition, plans include several outdoor flood lights which may act as an attractant for phototropic insects and provide a concentrated and stable food resource for local bat populations. Due to no cliff subsidence and mitigating actions noted above, it is our opinion that excepting the disturbance to and removal of 2,000 ft. of riparian zone, impact (either positive or negative) on local bat populations is minimal".

#### Raptor and Bat Survey

Raptor nest surveys will be conducted annually in the Spring prior to mining activities or potential subsidence within the permit area and in proposed expansion areas to the permit to obtain base line data. In addition, raptor nest locations will be monitored/surveyed the year following the first monitoring/survey if nests were observed during the survey and if operations result in subsidence. The permittee will contact the Division prior to any raptor nest protection efforts.

A bat survey for Utah sensitive bat species is planned for 2005 (May thru September), this survey will cover the cliff areas adjacent to a proposed fan breakout in Pace Canyon. Baseline bat surveys of Utah sensitive bat species will be conducted between May and September in riparian habitat

expected to be impacted by subsidence. In addition, Utah sensitive bat species will be monitored/surveyed the year following the first monitoring/survey if Utah sensitive bat species were observed during the survey and if mining operations result in subsidence impact to the riparian habitat.

Since water and its corresponding vegetation are important throughout the state of Utah, regulatory agencies have been requiring mitigation for disturbance and eventual replacement from the coal industry. SCM will comply with the requirements of mitigation and eventual replacement of the resources which may be lost or disturbed during this mining operation, refer to Sections 331, 340, 350, and 762.100.

As a mitigation effort SCM replanted 7,500 feet of disturbed riparian streambank above the northern disturbed area boundary with a modified version of Seed Mix No. 1 (mitigation seed mix), to assist in restoring vegetation which has been disturbed by the logging industry.

**Mitigation Seed Mix (Hydroseed/Broadcast Quantities)**

| <u>SPECIES</u>          | <u># pls/acre</u> |
|-------------------------|-------------------|
| Bluebunch wheatgrass    | 5.0               |
| Intermediate wheatgrass | 5.0               |
| Slender wheatgrass      | 5.0               |
| Smooth brome            | 5.0               |
| Indian ricegrass        | 3.0               |
| Blueleaf aster          | 1.0               |
| Blue flax               | 1.5               |
| Northern sweetvetch     | 1.5               |
| Mountain big sagebrush  | 1.0               |
| TOTAL                   | <u>28.0</u>       |

Willows were transplanted along the edges of the stream channel above the mine site disturbed area, with the mitigation seed mix being planted from the east edge of the stream channel to the outside edge of the logging road cut. The area between the edge of the stream channel and road cut varies from 10 to 45 feet as it travels the 7,500 feet planned for replanting. The west side of

subsidence occurs systematically and in small areas at a given time, only localized populations will be impacted and only for a short period of time. Reproductive potential coupled with dispersal will facilitate recovery and negate the temporary population reduction.

#### Possible Short-Term and Long Term Impacts to Species Dependent on Springs, Creeks and Drainages

Impact to species dependent on springs, creeks and drainages could include disturbance of shelter, food, increased evaporation, rise and/or decrease in water temperature, water flow, and bank stability. Most species of wildlife are highly adaptable, while others with limited mobility are not. These species (mollusk (*Physella virgata*) and tiger salamander, mentioned in the TA on Task ID #1915) have likely been impacted by the drought conditions in Utah since 1999. These species have either died or have moved to locations where water and habitat are more abundant. If they have moved, then should their habitat change again, they will likely move to a more suitable area. (Joseph M. Kiesecker - Dept. Of Biology, Pennsylvania State University; Andrew R. Blaustein and Lisa K. Belden - Dept. of Zoology, Oregon State University; Global Amphibian Assessment, AmphibiaWeb (<http://elib.cs.berkeley.edu>; Alex Kirby, BBC News Online "Global amphibians in deep trouble" October 14, 2004; U.S. Water News Online, "Georgia drought harming wetland species" January 2002; UPI Science News, "Wildlife suffering from record drought" 8/30/02), Subsidence could in the future impact these species, however to the best of the permittee's knowledge neither the listed species or other species dependent on springs, creeks and drainages have been identified as being impacted by subsidence within the permitted area. In addition, there has been no impact identified to springs, creeks or drainages within the Dugout Mine permitted area.

It is anticipated that streams within the permit area will not be significantly impacted as discussed in Chapter 5, Section 525.100. Interruptions of flow within perennial, intermittent, and ephemeral streams is not anticipated. Therefore, flows sustaining riparian and stream bank vegetation should continue during and after subsidence. Refer to Section 731.200 for a proposed monitoring and mitigation plan.

### **333 Plan to Minimize Disturbances and Adverse Impacts**