



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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March 8, 2005

Erwin Sass, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Dear Mr. Sass:

Subject: Pace Canyon Fan Portal, Canyon Fuel Company, LLC, Dugout Mine,
C/007/0039, Task ID #2104

The Division has reviewed the application submitted to permit an air shaft and intake portal in Pace Canyon. The initial submittal was made on January 4, with revised follow-up information received on February 7, 2005. We have also incorporated review comments received from the Bureau of Land Management (BLM) as part of this document. The attached deficiencies must be addressed prior to receiving a final approval such that construction activities can begin.

Each coal rule has been bolded, for R645 reference, to assist in the preparation of response. The initials of the reviewer making the deficiency determination follow the specific rule to determine who wrote the deficiency.

The following telephone numbers are for the review team;

JAE	Jerriann Ernstsens	(801) 538-5214
PWB	Priscilla Burton	(801) 538-5288
PHH	Peter Hess	(435) 613-1146, X203
DWD	Dave Darby	(801) 538-5341
WHW	Wayne Western	(801) 538-5263

No further action is anticipated until a response addressing each of the deficiencies is received. Please provide your response by May 9, 2005. Your timely response will expedite the process such that construction activities may be initiated earlier pending final approval.

Page 2
Erwin Sass
March 8, 2005

If you should have any questions, do not hesitate to contact me, Pete Hess, or any member of the review team. Thank you.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

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**Technical Review Deficiencies
Dugout Mine - Pace Canyon Fan Portal
Task ID# 2104**

- R645-301-114**, The legal description of the BLM surface to be disturbed for the Pace Canyon fan portal and shaft must be added to the right of entry information documented in Section 114 of the Dugout MRP. [PWB]
- R645-301-111.100**, Canyon Fuel has offices in Colorado, a contact is provided in Section 112.200. Are any other [Utah] representatives of Canyon Fuel authorized to make changes to the Mining and Reclamation Plan? [PWB]
- R645-301-115.300**, Although recent email communications from the BLM indicate that it is a private road, the application must state whether the road adjacent to the fan portal is a public or private road. [PWB]
- R645-301-121.200**, **(1)** The *Study To Determine The Effects Of Coal Development On Wildlife In Southeastern Utah* (1979-1981; Vol. 3, App. 3-2) has the following missing pages: 1-10 and 12-14. The Permittee stated that their copy does not include the missing pages, however, agreed to place pages in their place noting the missing pages. The Permittee must add this explanation page prior to the “Abstract” **(2)** The Permittee describes the big game for the Pace fan site differently than illustrated on Plate 3-2 (Vol. 1). The Permittee must clarify and provide documentation that supports the statements on page 3-17 **(3)** The MRP states that habitat that may be “affected” will not impact the survival of amphibians. This statement was cited from Dalton (et. al 1990), but this reference is not in the reference list in the back of chapter 3 or in the appendices (Vol. 3). The Permittee must include the document in the MRP or reference the document in the reference list **(4)** The Permittee states that the 2004 raptor survey map is in the Division’s confidential files. The Division has no record of the 2004 map. The Permittee might have meant the 2003 survey map is in confidential. The Permittee must clarify the location of the 2004 map or change the referenced year (p. 3-16) **(5)** The Permittee describes short-term and possible long-term impacts to two species (mollusk [*Physella virgata*] and tiger salamander) that may be dependent on local water resources. The Permittee discusses mobility and mortality of these species as well as notes that there is no documentation showing subsidence impacts these species within the permit area. The statement may lead the reader to assume that scientist have evaluated the impacts of subsidence on these species within the permit area. The Permittee must either remove these statements or provide documentation or a citation supporting the statements and projections of impacts to these species from drought and drought-related

subsidence. Supporting information must supplement the associated information in section 332 **(6)** The MRP refers to a letter in App. 3-3 for discussion on exclusionary periods during mining activities. This letter only applies to the mitigation project implemented because of the need to drill during the exclusionary period for the northern saw-whet owl. It does not provide general agreements to adhere to exclusionary periods for the northern saw-whet owl or other wildlife species. The Permittee must present the related paragraph (Sec. 301-358, p. 3-54) to more clearly state the intentions of the letter **(7)** The discussions throughout the MRP on ripping, gouging, incorporating hay during gouging or mulching are difficult to follow. In chapter three, the Permittee emphasizes ripping the soil to 6-24 inches (Vol. 1, p. 3-37) and gouging areas too steep to rip. But, later states reclamation will include gouging all areas regraded and covered with soil (Vol. 1, p. 3-49). In chapter two and App. 7-12, the Permittee emphasizes gouging and incorporating hay during gouging (App. 7-12, Attachment 2). The Permittee must clarify throughout the MRP whether the reclamation project will include ripping, gouging, applying hay during earthwork, or all three (R645-301-121.200) **(8)** The Permittee must reference the correct figure (5-3 not 5-4) for the reclamation timetable (Vol. 1, p. 3-34). [JAE]

R645-301-124.330, The Pace fan amendment includes confidential documents (App. 4-3). The Permittee must submit all amendments that have confidential documents in two separate folders and mark the folder containing the confidential document as "Confidential". [JAE]

R645-301-222, Provide the 2003 Soil Survey conducted for the BLM EA as well as the following information from the 2004 supplemental soil survey of Pace Canyon: test pit logs, laboratory analysis, and soils map showing location of disturbed and undisturbed soils. [PWB]

R645-301-232.200, The depth of topsoil is variable and should be illustrated using an isopach derived from the 2004 survey information. The presence of a qualified person to direct the salvage is indicated. The Division requests advance notification of the topsoil salvage, so that a Division inspector may be present as well. [PWB]

R645-301-233.200, Topsoil and subsoil will be sampled during salvage for the parameters indicated in MRP Section R645-301-233.300. The number of samples to be taken and the method of sampling must be indicated. [PWB]

R645-301-234.210, Show on a plate the location of temporarily stockpiled topsoil (as described in Section 242.100, above the portal and along the channel diversion area for immediate replacement after construction of the portal and channel diversion). [PWB]

R645-310-234.230, For prompt establishment of vegetation and protection from erosion, out-slopes of stockpiled soil must not exceed 2h:1v. [PWB]

R645-301-241, Soil will be replaced in all disturbed areas (except the road) in Pace Canyon. The MRP (p. 2-41) cites Plate 7-5A as illustrating this information, but it was not found on Plate 7-5A.

R645-301-244, Ensure that Plate 7-5A is labeled “contemporaneous reclamation treatments” and show final reclamation treatments: topsoil depths, hay, gouged, mulched and seeded areas on Plate PC5-5. [PWB]

R645-301-333, (1) The Pace fan and adjacent areas support both summer and winter big game habitat. The Permittee must comply with exclusionary periods during construction and reclamation phases. The general exclusionary periods are May 1 - July 1 for calving and November 1 – May 15 for wintering. The Division may remove this requirement if the Permittee can provide documentation from DWR that proves the area is not used by big game during these exclusionary periods. (2) The MRP states that the 2003/2004 MSO results were negative for goshawks. The survey reports do not clearly state that this species was surveyed. Although the SITLA lease project does not include surface disturbance, the Pace fan project does include 2.7 acres of disturbance. The Permittee must either conduct a ground survey for this species as well as the northern saw-whet owl or provide documentation showing this area does not support habitat for either species. The Permittee must comply with exclusionary periods if results are positive for either species during the years of construction or reclamation. [JAE]

R645-301-341, The Permittee must apply adequate tackifier amounts to bring the plan to current standards. The Division recommends 60 pounds per acre or according to manufacturer instructions. [JAE]

R645-301-356.110, The Permittee must include forbs in Seed Mix #3 to more effectively replace the diversity found on the reference site. [JAE]

R645-301-356.231, The Permittee must provide proof of communications with agencies for the given stocking rates associated with Seed Mix #1 and #2. [JAE]

R645-301-353.250, The Permittee must specify the use of Utah certified noxious weed free hay or straw. [JAE]

R645-301-333, The Division recommends that the SPCC plan be amended to include the 8,000 gallon tank and recertified by a P.E. to meet the

requirements of 40 CFR 112.5. Verification of this update must be submitted to the Division in the next application. [PHH]

R645-301-411.110, Plate PC5-4 (pre-disturbance area map) must indicate the location of mine dumps within the Snow Mine disturbed area. Plate 4-1, LAND USE MAP in the MRP must be updated to include the main livestock watering source, and the holding corral outside the Pace Canyon disturbed area. [PWB]

R645-301-411.143, Coal lease UTU-07064, Stipulation 4 discusses paleontological resources. During the course of earth moving activities in the Pace Canyon fan portal disturbance, the Division requests that the permittee have a registered professional geologist available to confirm, or not, the discovery of any vertebrate fossil material. [PHH]

R645-301- 412.200, The Permittee must provide documentation of landowner or surface manager comments, especially with respect to Pace Canyon Grazing Allotment No. 24085. [PWB]

R645-301-521.163, Plates 1-1, and 1-4, and page 1-9 as well as Appendix 1-4 in the MRP must be updated to include the Pace Canyon surface disturbance. [PWB]

R645-301-526.220, The permittee must include a description of the fence, including type of construction, height, length, and other information deemed pertinent to this component of the required description. [PHH]

R645-301-527.210, R645-301-742.420 et al., the permittee must develop a drainage plan to effectively drain the 550 foot roadway length such that runoff is controlled, and erosion of the road surface is minimized. [PHH]

R645-301-524, If the permittee determines that the Pace Canyon fan portal intake entry will be developed through the use of conventional methods, the permittee must in accordance with **R645-301-524** submit an anticipated blast design meeting the requirements of R645-301-524.100 through 524.700. [PHH]

R645-301-526.222, The permittee must submit drawings, text, specifications, etc., to meet the description requirement for all of the components associated with the Pace Canyon Fan Portal *surface* facilities. [PHH]

R645-301-631, The permittee will be required to establish and maintain stream buffer markers during the reclamation phase to identify the limit where construction activities will take place. These areas should be identified on the reclamation map. [DWD]

R645-301-724.310, The permittee will be required to collect stream morphology data on Pace Creek below the proposed mine water discharge site to provide baseline information. The information will be used to identify impacts to the channel from erosion over the time of discharge. [DWD]

R645-301-731, (1) The permittee will be required to submit updated information to clarify the to location and existence of hydrologic structures on respective text and maps. (2) The permittee should identify the locations where riprap will be placed to protect disturbed channel areas and to protect outsoles of discharge pipes. These areas should be identified on surface design maps, Plates PC5-2, PC7-4 and PC7-5. (3) Map PC5-2 should identify the ASCA areas on the proposed fan portal site, and the type of siltation structure to contain sediment. [DWD]

R645-301-731.311, The coal mine waste remaining on the surface from the Snow Mine as well as the shaft material excavated during construction must be sampled for acid/toxic information. The plan should indicate sampling frequency and parameters to be analyzed. Page 5-49 of the application indicates that oxidized coal encountered during shaft construction will be disposed of at the Waste Rock site. The disposition of the Snow Mine coal mine waste during reclamation must be disclosed in the application. [PWB]

R645-301-731.600, The applicant should identify that a buffer zone will be established and where the buffer zone markers will be placed and when the markers will be erected. This information should be reflected on Map PC5-2 and PC5-5. [DWD]

R645-301-742.312, There are no designs provided for the berm shown on the west side of the new access road on Plate PC7-5. The permittee will have to provide the designs for the berm. [DWD]

R645-301-742.423, The Permittee shall submit plans to have adequate drainage control on roads. [DWD]

R645-301-751, The Division requires that the permittee place a copy of the application cover letter to the DEQ / DWQ requesting an amendment to the current UPDES plan to permit the two new Pace Canyon outfalls in the next application. [PHH]

R645-301-760, The permittee will be required to evaluate areas that have been disturbed along stream channels. Disturbed channels reaches that will receive flows with velocities greater than 5 ft/s need to be protected by riprap. These areas should be shown on the reclamation map. [DWD]

R645-301-761, The permittee must commit to removing and properly disposing of the gravel associated with the sediment control method utilized within the disturbed area prior to placement of topsoil for final reclamation. [PHH]

R645-301-830.140, The permittee must supply earthwork calculations to support the backfilling and grading maps submitted with the application, such that an accurate reclamation bond amount can be determined. [PHH]

R645-301-830.140, The Permittee must give the Division complete reclamation costs for the Pace Canyon facilities. Items that were missing include: **(1)** Shaft closure costs (including backfilling) **(2)** Fan removal, in addition to removing the fan building **(3)** Transformer /switchgear / capacitor removal **(4)** Removal of the emergency generators, (salvage value cannot be assumed) **(5)** Removal of the fuel storage tank **(6)** Productivity calculations for earthwork. [WHW]