



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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March 15, 2005

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

Subject: SITLA Lease, Canyon Fuel Company, LLC, Dugout Mine, C/007/0039,
Task #2083, Outgoing File

Dear Mr. Sass:

The Division received a permit change application in April 2004 that addresses the expansion of the proposed State of Utah, School and Institutional Trust Lands Administration (SITLA) lease area east of current permit boundary. The Division classifies this submittal as a significant revision to the currently approved mining and reclamation plan. The attached deficiencies (from task #2083) were prepared from our review of the application dated November 2004.

This proposed project would increase the permit area by 2,360 acres with zero acres allotted for facilities and operations. The Permittee will access the new lease area from underground. The acreage and section numbers outlined in the proposal do not include any transportation or power-line corridors. Subsidence caused from underground mining operations will most likely cause surface disturbances to cliff habitat and portions of the stream channel.

The Dugout Mine is located in Carbon County, Utah. The 7.5 Minute Quadrangle maps that cover the permit area are Mount Bartles (Geological Survey of the U.S. Department of the Interior). The proposed lease area includes sections 17, 20, 21, 28, 29, and 30 (partial and entire sections), Township 13 South, Range 13 East, SLBM.

Before the Division can approve this amendment, the Permittee must address the deficiencies listed in the attached document. For clarification or more information, you can contact the Division specialist whose initials are at the end of each deficiency.

JAE	Jerriann Ernstsens	801-538-5214
DD	Dana Dean	801-538-5320

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DWD	David Darby	801-538-5341
PHH	Pete Hess	435-613-1146

Draft Technical Memos and a draft TA have been prepared, but final versions of these documents will not be prepared until all technical deficiencies have been resolved. Please respond to the following deficiencies by April 25, 2005.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

an
Attachment
cc: Price Field Office
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TECHNICAL DEFICIENCIES

R645-301-121.200, The Permittee must clarify the method of conducting bat surveys along with raptor surveys (Vol. 1, Sec. 322, p. 3-19). [JAE]

R645-301-322,

- The Division, in consultation with DWR, requests that the Permittee also conduct baseline bat surveys in riparian habitat within zones of expected subsidence. The Permittee must survey for all Utah sensitive bat species and conduct all bat surveys between May and September. The Permittee must also conduct follow up surveys within one to two years of disturbance and between May and September if bats were observed during the baseline surveys and if operations resulted in subsidence. The Permittee must add this commitment for the follow up survey in the bat-related text.
- Previous raptor surveys include information on the prairie falcon, Cooper's hawk, and golden eagle observed along the access corridor to the mine facilities area (Vol. 3, App. 3-3). Flyover maps show nests for a diversity of raptor species including redtail hawk, prairie falcon, raven, and golden eagle. The Permittee commits to conducting annual raptor surveys to obtain baseline data prior to mining disturbances including subsidence of cliff habitat (Vol. 1, Sec. 322, p. 3-13). The Permittee must also conduct follow up surveys within one year if nests were observed during the baseline surveys and if operations resulted in subsidence. This follow up will determine the degree of impact to the nests. The Permittee must add this commitment for the follow up survey in the raptor-related text. These efforts will help the Division and DWR develop a mitigation plan, if necessary. [JAE]

RECOMMENDATIONS/REMINDERS:

The letter drafted by Barry Barnum (1996, Utah Fuel Company; Vol. 3, App. 3-3) details a raptor nest protection plan as it relates to subsidence. The DWR no longer supports this approach. The Permittee states they will evaluate raptor nests on a case-by-case basis and will mitigate using the best technology available. Any mitigation effort, however, is dependent on results of the on-ground surveys of that year, safety, degree of subsidence, and the availability of alternative nest sites outside the subsidence area. The Permittee must contact the Division prior to implementation of any protection efforts.

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For future reference, the Division would like the Permittee to know that calling surveys are only required after ground-truthing results are positive for MSO. The cost and time involved in the ground-truthing surveys are considerably less than for the calling survey.

The Permittee must notify all landowners of the intent to subside 6-12 months prior to undermining.

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