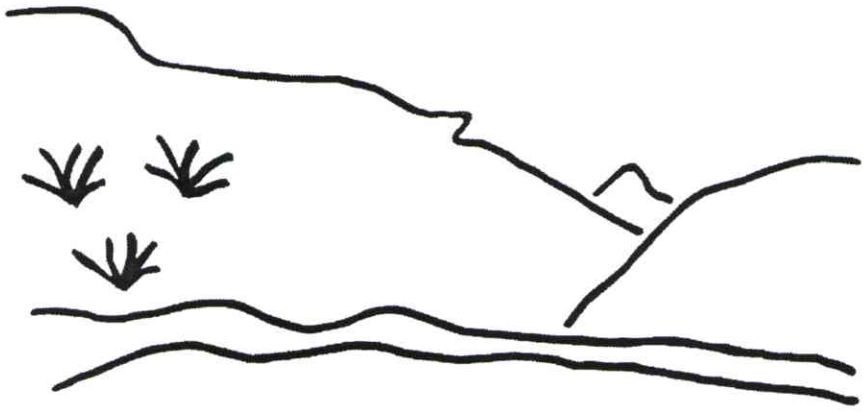
State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Dugout Mine
Canyon Fuel Company, LLC
Technical Analysis
May 5, 2005

File in:
- ☐ Confidential
- ☐ Shelf
- ☒ Expandable

Refer to Record No 0024 Date 05062005
In C/007003/Cert going
For additional information

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TECHNICAL ANALYSIS DESCRPTION

The Division ensures that coal mining and reclamation operations in the State of Utah are consistent with the Coal Mining Reclamation Act of 1979 (Utah Code Annotated 40-10) and the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87). The Utah R645 Coal Mining Rules are the procedures to implement the Act. The Division reviews each permit or application for permit change, renewal, transfer, assignment, or sale of permit right for conformance to the R645-Coal Mining Rules. The Applicant/Permittee must comply with all the minimum regulatory requirements as established by the R645 Coal Mining Rules.

The regulatory requirements for obtaining a Utah Coal Mining Permit are included in the section headings of the Technical Analysis (TA) for reference. A complete and current copy of the coal rules can be found at http://ogm.utah.gov

The Division writes a TA as part of the review process. The TA is organized into section headings following the organization of the R645-Coal Mining Rules. The Division analyzes each section and writes findings to indicate whether or not the application is in compliance with the requirements of that section of the R645-Coal Mining Rules.

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Legal and financial information for Arch Coal mining is found in General Chapter 1, dated February 2005. (This information was last reviewed under Task # 2069.) The applicant and operator is Canyon Fuel Company, LLC (Section 112.200). The Resident Agent is C.T. Corporation Systems (50 W. Broadway; SLC UT 84104). Canyon Fuel has offices in Colorado, a contact is provided in Section 112.200. A letter signed by Gene DiClaudio, President of Arch Western Bituminous Group, LLC, dated March 15, 2005, authorizes Erwin Sass and David Spillman as persons with signatory authority for the Dugout Canyon Mine.

The information provided in Section 111 and 112 of General Chapter 1 indicates that the Permittee (Canyon Fuel Co., LLC) is owned by Arch Coal and/or its subsidiaries, Figure 1A outlines the corporate structure. And section 112.100 indicates that Delta Housing Inc has a minor (1%) interest in the Arch Western Resources, LLC.

Officers and directors of Canyon Fuel Co., LLC, Arch Western Bituminous Group, LLC, Arch Western Resources, LLC and Arch Coal, Inc are found in Appendix 1-1.
Coal mining and reclamation operations related through corporate structure are listed in Table 1-1 and include the active sites: SUFCO, Skyline and Soldier Canyon mines and the Banning Loadout and reclaimed sites: Gordon Creek No 3 & 6, Gordon Creek No. 2, 7, & 8, and Huntington No. 4 mines in Utah.
[04/21/05]

Findings:

The information provided meets the regulatory requirements for legal and financial information.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

General Chapter 1 provides a three year violation history in Table 1-2 for mines related by corporate structure (listed in Table 1-1).

Findings:

The information provided meets the requirements of the regulations.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

The application includes right of entry information for portions of the NW 'A SW 'A of Section 23, Township 13 South, Range 12 East. The right of way was issued by the Bureau of Land Management on September 14, 1998.

Right of Entry information is found in the Dugout MRP, Chapter 1, Section 114 and in Appendices 1-1, 1-3, and 1-4. The 2.7 acres of land to be disturbed for the Pace Canyon fan portal falls in E1/2NW1/4NW1/4 Sec. 30 T.13 S., R. 13 E. The road accessing the site is under the jurisdiction of the BLM, although it is not accessible to the public, as per email communication from the BLM Realty Specialist, Mark Mackiewicz to Stan Perkes (forwarded on March 3, 2005 to Pete Hess). During a technical site visit on April 1, 2005, the Permittee indicated that a right of way from the BLM will be obtained such that drainage and surface improvements can be made to the route. [04/21/05]

Findings:

Information provided in the application is considered adequate to meet the requirements of this section of the regulations.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

The legal description of the state and federal lease areas, fee land, BLM land, and BLM right of way are provided in section 114 of the MRP. The legal description of the BLM land disturbed for the Pace Canyon fan portal and shaft is found in Appendix 1-4.

The Division is aware that at the location of the proposed 2.7 acre fan portal disturbance, the Pace Canyon road is under BLM jurisdiction, but has no public access due to a locked gate marking the end of county maintenance. The BLM road without public access is referenced in Section 521.100 of the application. [04/21/05]

Findings:

Information provided in the application meets the requirements of this section of the regulations.

PERMIT TERM

Regulatory References: 30 CFR 778.17; R645-301-116.

Analysis:

Findings

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

Public notice is not required for the Pace Canyon fan portal disturbance of 2.7 acres.

However, no information was found in either General Volume 1 or the Dugout Canyon MRP for the site at all. Include previous public notice documentation in Appendix 1-2. This inadvertently was removed from the MRP during incorporation of General Volume 1. The Division and Canyon Fuels will try to locate copies of the public notice previously in the plan for the main mine facilities area. [04/21/05]

Findings:

Information previously provided in the application meets the requirements of this section of the regulations.

FILING FEE

Regulatory Reference: 30 CFR 777.17; R645-301-118.

Analysis:

Findings:

PERMIT APPLICATION FORMAT AND CONTENTS

Regulatory Reference: 30 CFR 777.11; R645-301-120.

Analysis:

There were several typographic errors in the plan that needed correcting. These have been corrected and include:

Plate 7-5 no longer has a note at the bottom right that is left over from the original application.

Page 7-65 now correctly describes DD-10 discharging into the drop inlet connecting DC-1 and DC-2.

Plate 7-4, Section B-B' now shows the primary spillway and emergency spillways at the correct elevations. In addition, the Primary Spillway Riser Detail shows the top of the spillway riser at the correct elevation.

Plates 7-4, 7-5, 7-8, and others, show the primary road at the lower end of the disturbed area ending near the sediment pond emergency spillway with a revised disturbed area boundary.

The Mine and Reclamation Plan (MRP) meets R645-301-121.100 and R645-301-121.200 for the biology chapter and archeology section because the information is generally current, clear, and concise.

The MRP includes many different volumes, including the following "stand-alone" documents (as of January 2005):

- "Dugout Canon Mine – Leach Field Addendum A-1" (LFA, March 2001)
- "Refuse Pile Amendment – Dugout Canyon Mine" (RPA, January 2003)
- "Methane Degassification Amendment" (MDA, 2003/2004).

The "stand-alone" volumes provide exclusive information, supporting documents, and maps for each proposed project. [05052005]

Findings:

Information provided in the application is considered adequate to meet the requirements of this section of the regulations.

REPORTING OF TECHNICAL DATA

Regulatory Reference: 30 CFR 777.13; R645-301-130.

Analysis:

The MRP meets R645-301-130 because qualified professionals conducted or directed the surveys and analysis for the supporting biological and archeological related documents. [05052005]

Findings:

Information provided in the application is considered adequate to meet the requirements of this section of the regulations.

MAPS AND PLANS

Regulatory Reference: 30 CFR 777.14; R645-301-140.

Analysis:

Findings:

COMPLETENESS

Regulatory Reference: 30 CFR 777.15; R645-301-150.

Analysis:

Findings:

ENVIRONMENTAL RESOURCE INFORMATION

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

GENERAL

Regulatory Reference: 30 CFR 783.12; R645-301-411, -301-521, -301-721.

Analysis:

The Dugout Canyon Mine is located within Dugout Canyon in the northern Book Cliffs - Roan Plateau region. Elevation of the mine facilities area ranges between approximately 7000 and 7150 feet above MSL. The permit area has been primarily utilized as rangeland for livestock and wildlife habitat. Some crops related to the livestock industry have been developed along the creek bottoms adjacent to Soldier Creek Road. However, no crops have been raised within the permit area. Recreational use of the permit area is limited due to lack of access through private property Coal mining has occurred within Dugout Canyon since 1925. D. J. Collins prospected for and initially hand-developed the Red Glow Mine in the Gilson seam on the east side of Dugout Canyon in 1925. The west side of Dugout Canyon was first mined in 1952 by E.S.O. Coal Company when they mined the Rock Canyon seam.

The Knight Ideal Coal Company mined the Rock Canyon and Gilson coal seams located on both sides of the canyon between 1958 and 1964. Knight Ideal Coal Company extracted 1,326,000 tons of coal by conventional room and pillar method with partial pillar recovery. The area in Dugout Canyon disturbed by mining has changed hands through the years but no coal has been extracted since 1964.

The amendment submitted on March 30, 2005 contains information and engineered designs to construct a fan portal in Pace Canyon also provides information and design criteria to contain and control runoff from the disturbed area, and to divert undisturbed drainage away from the fan portal facilities.

Findings:

General resource information is considered adequate to meet the requirements of this section.

PERMIT AREA

Regulatory Requirements: 30 CFR 783.12; R645-301-521.

Analysis:

The permit area encompasses 7,111 acres (Section 114, Plate 1-1 and RA Plate 1-1). The permit area and adjacent lands are shown on Figure 1-1 and other maps in the MRP. A legal description of the permit area is given in Section 114 of the MRP.

Plate 1-4 illustrates the disturbed area. The disturbed area is currently 56.5 acres as itemized on page 1-9. and Appendix 1-4. The fan portal area in Pace Creek is shown on on Plates PC5-2 and Plate PC5-5. [04/21/05]

Findings:

The information provided meets the requirements of the regulations.

HISTORIC AND ARCHEOLOGICAL RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.12; R645-301-411.

Analysis:

The MRP meets R645-301-411 regulations pertaining to historic resources. The MRP (Vol. 3, App. 4-1; see Confidential Files in Division PIC room after June 2005) includes numerous evaluations of historic resources that focus on the permit area. It also includes narratives and maps of historic resources that may be included in or eligible for inclusion in the National Register. There is proof of previous coordination efforts and clearances from the SHPO. [05052005]

An intensive archaeological surface evaluation of the mine area was conducted in 1980 under the direction of Eureka Energy Company by Archeological-Environmental Research Corporation (AERC). Four of the sites reported as being potentially eligible for listing in the National Register of Historic Places (NRHP) are in the area of the current proposed mine. The four sites include one prehistoric rock art locus (42 CB 92) and three historic coal mine loci: the Dugout Creek Mine (42 CB 2005/291), the Fish Creek Mine (42 CB 204/290), and the Pace Canyon Mine (42 CB 206/292/574). The Fish Creek Mine and the Pace Canyon Mine were subsequently determined to not be eligible for nomination to the NRHP.

Files at the State Historic Preservation Office, Bureau of Land Management Office, and records of the NRHP were consulted. Further field evaluations were conducted by AERC on the

prehistoric rock art and the Dugout Creek Mine in November 1995. In this study, the Dugout Creek Mine was determined to not be eligible for inclusion on the NRHP due to the lack of context and cultural integrity.

It is important for the Permittee to understand that workers must avoid all historic resources during the life of the project. In the event that construction or operations uncover historic resources, the Permittee must stop all work near the resources and notify the Division. At that time, DCM, DOGM, and other appropriate parties will develop a strategy to avoid the site or mitigate the impacts. [05052005]

Findings:

Information provided in the application is considered adequate to meet the requirements of this section of the regulations.

CLIMATOLOGICAL RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.18; R645-301-724.

Analysis:

Climatological resource information is found in Appendix 4-2. Meteorological and air quality data were collected from mid-1978 through mid-1980 at a monitoring station located near Wellington, Utah. The data included: suspended particulates, wind speed, wind direction, ambient temperature, precipitation, and relative humidity. Particulates were sampled for 24 hours every sixth day. Precipitation was recorded four times hourly; other meteorological data were recorded hourly. Monitoring equipment included two high volume samplers and an electronic weather station with strip chart recorders. Meteorological parameters were measured with an accuracy of -±5% of full scale output.

Additional information was collected for Price, Utah from the U.S. Department of Commerce, Environmental Service Administration. These data included means and extremes for temperature and precipitation for the years 1936-1965.

Findings:

Climatological resource information is considered adequate to meet the requirements of this section.

VEGETATION RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.19; R645-301-320.

Analysis:

The MRP meets R645-301-321 because there is adequate discussion of plant communities observed within the permit area. The MRP contains many supporting documents on vegetation for the permit area. The baseline vegetation information is adequate for assessing reclamation potential and success as well as productivity values for the surface area affected by mining operations. [05052005]

Volume 3, App. 3-1 contains vegetation surveys of the main mine facilities and adjacent areas. The Refuse Pile volume contains the vegetation study (Attachment 3-1), maps (Figs. 3-1 and 3-2), and photos for the disturbance related to the refuse pile site. The volume for the degas well amendment also contains site-specific vegetation survey and productivity values for the G1-G6 sites. The vegetation map showing community types for the main mine site is in Vol. 1, Plate 3-1. [05052005]

The vegetation map delineates vegetative communities within and surrounding the permit area. The permit area ranges in elevation from 7000 to 8600 feet. The MRP describes vegetative cover, production and shrub density of the Douglas fir, mixed conifer, pinyon juniper, deciduous streambank, and shrub/grass/juniper communities within the permit and adjacent areas.

There are areas that were previously disturbed from past mining and coal exploration activities. The MRP describes these areas with a potential production of 800 pounds per acre. The MRP provides other production estimates that are project specific. The dominant shrub species by cover was big-tooth maple while rubber rabbitbrush had the greatest number of individuals present. The area is dominated by species that indicate the site has been disturbed. Yellow sweetclover contributed the most vegetative cover to the total cover of 37% (Appendix 3-1).

The MRP includes the results of the vegetation surveys of the riparian and pinyon juniper *range sites* selected for the standards of success. These range sites are located in Fish Creek Canyon a few miles west of Dugout Canyon. The 1991 (BLM) and 1997 (NRCS) survey results showed the riparian community as “fair to poor” and “fair”, respectively. A site visit in 1996 suggested the riparian area had not been as heavily grazed as reported in the past but that it was still in a somewhat degraded condition. This community type is the most productive in terms of forage availability in the area. Further analysis of the riparian and pinyon juniper sites are in the 1998 vegetation survey.

The Permittee must recognize that one of the requirements for using range sites for the standard of success is that the site must be declared as fair or better condition. [05052005]

Findings:

Information provided in the application is considered adequate to meet the requirements of this section of the regulations.

FISH AND WILDLIFE RESOURCE INFORMATION

Regulatory Reference: 30 CFR 784.21; R645-301-322.

Analysis:

GENERAL WILDLIFE

The MRP provides narrative, supporting documentation, or maps on ungulates, bats, aquatics, raptors, migratory birds, and reptiles.

DWR considers all riparian areas as critical value for wildlife and R645-301-322.220 states that cliffs supporting raptors nests are habitats of unusually high value.

The *Study To Determine The Effects Of Coal Development On Wildlife In Southeastern Utah* (1979-1981; Vol. 3, App. 3-2) provides data for wildlife populations, condition, and behavior within the Sage-point Dugout Canyon project. Although this study provides valuable site-specific information, the Permittee should not consider it as baseline information for the current mine plan. The permit and facilities areas are much smaller than they were in an earlier proposal. [05052005]

Ungulates

The MRP (Vol. 3, App. 3-2) provides general information on many wildlife species including ungulates. Volumes 1 and 3 (App. 3-3) provide general wildlife, elk, and deer maps. A letter in the MRP (Vol. 3, App. 3-3) details elk and deer range within the permit area. [05052005]

The permit area has both critical summer and winter big game habitat. There are areas designated as critical winter and summer deer habitat as well as high value winter and yearlong elk habitat (Confidential Files, Plate 3-2). [05052005]

The Permittee states that the local area supports yearlong pronghorn range in the salt desert shrub community of the lower elevation ranges along the Clark Valley Road.

Bats

A previous bat survey includes information on bat species and numbers as well as roosting and foraging habits near a portion of Dugout Creek (Vol. 3, App. 3-3). A few bats were found in the area; however, the spotted bat and Townsend's big eared bat (both listed in the survey as Category 2) were not found nor potential habitat. Additional surveys will be conducted in the zone of potential subsidence. Plate 3-3 shows the locations of escarpments within the permit area. The plan says, "... no data or definition was available to determine the criteria for an area to be classified as of `unusually high value' for bats. " High value habitat is considered as habitat critical to the existence of the animal. Cliff escarpments are considered unusually high value for bats and raptors. The information in the application satisfies the requirement of condition 13 of the March 16, 1998, permit.

Aquatics

The MRP does not include fish or macroinvertebrate surveys. There are water resources within the Pace Creek and SITLA lease areas that include small stretches of channels considered as ephemeral or perennial within the permit area. The Division, in consultation with DWR, does not recommend surveying for macroinvertebrates or fish within these stretches at this time. [05052005]

Amphibians and Reptiles

The MRP does not include amphibian and reptile surveys that are project specific, but has general information on a variety of species, including reptiles (Vol. 3, App. 3-2). The Permittee is aware that all amphibians and reptiles are legally protected. [05052005]

Raptors

The Permittee will conduct 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 will also conduct follow up surveys within one year if nests were observed during the baseline surveys and if operations resulted in subsidence. Annual reports provide the results of the over-flight surveys. [05052005]

Flyover maps show nests for a diversity of raptor species including redtail hawk, prairie falcon, raven, and golden eagle. Raptor surveys also 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).

Numerous active and tended golden eagle nests and prairie falcon scrapes are located outside but immediately adjacent to the permit area. No known raptor nests are within the area

to be disturbed by facility construction although a pair of golden eagles is frequently seen soaring at the cliff edge in full view of the proposed facilities. (The other nests associated with the eagle pair using the active nest in Section 22 have not been observed.).

Appendix 3-3 contains a report for a survey of birds of special interest done at the mine site. A loggerhead shrike was tentatively identified in this survey, and golden eagles were flying in the area. No other species of special interest were identified. This satisfies the requirements of permit condition 3 in the March 16, 1998, permit.

The Permittee will conduct ground surveys for goshawks in areas with suitable habitat and areas planned for mining facilities. DWR evaluated sites, during the annual flyover near DUGO104 and DUGO204 exploration holes for goshawk habitat. The results showed, however, that logging has compromised the dense canopy habitat making that area unsuitable for goshawks. DWR also evaluated the area proposed for the Pace fan project and determined the area was not suitable for goshawks. [05052005]

The Permittee will conduct ground surveys for Northern saw whet owls in areas with suitable habitat and areas planned for mining facilities. [05052005]

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. DWR no longer supports the ideas presented by Mr. Barnum, except under the extreme cases. 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 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 any protection efforts. [05052005]

THREATENED, ENDANGERED, AND SENSITIVE ANIMAL/PLANT SPECIES

The MRP meets R645-301-322 because there is adequate discussion, supporting documentation, and maps on TES species that could occur within or adjacent to the permit area. All supporting documents on TES plant and animal species show that there were no observations of threatened or endangered species. [05052005]

The volume - Methane Degassification Amendment provides results of a literature search and ground-truth surveys for many TES species, particularly plant species. The “withdrawn” volume - Degas Wells MW-6 and –8 (Att. 3-2) also provides results of ground-truth surveys for twenty-seven plant and two animal species. The volume - Degas Wells MW-6 and –8 (Att. 3-3) contains the David Willey report on Mexican spotted owl (MSO). [05052005]

The MRP contains current USFWS and Utah Natural Heritage Program lists of TES species that could occur in Carbon County, Utah. The Degassification Amendment contains a

copy of the corporate TES permit (exp. 12/31/05) for EIS with Mel Coonrod as principal officer. [05052005]

TES Plants

All supporting documents on TES species show that there were no observations of any threatened or endangered species. The documents show, however, that the permit area supports habitat for the following sensitive plants: canyon sweetvetch (*Hedysarum occidentale* var. *canone*), tufted cryptantha (Cryptantha caespitosa), Helenium hymenoxys (Hymenoxys helenioides), and Graham beardtongue (Penstemon deaveri). The Division is aware of a large population of canyon sweetvetch in Fish Creek Canyon, a population along Dugout Creek approximately one-half mile below the gate, a population along Pace Creek near the fan facility site, and that the plant could occur in other parts of the permit area. [05052005]

TES Animals

TES supporting documents show that the permit area supports habitat for the following TES animals: MSO, black-footed ferret, bald eagle, and peregrine falcon. The MSO survey showed no MSO responses within a half-mile radius around the testing area (G1-G6 degas wells). The results, however, showed responses for great horned and northern saw-whet owls. The peregrine falcon has been observed in several recent surveys of the Carbon County area. No confirmed sightings of black-footed ferrets have occurred within Carbon County during 1995, 1996, and the first quarter of 1997 (DWR, Section 322.200). [05052005]

Mexican Spotted Owl (MSO)

The MRP provides results for a two-year calling survey (Vol. 3, App. 3-3; EIS, 2003/2004) for drill holes G1-6 as well as a short reach along Pace Creek. The results for both surveys were negative for MSO individuals, but show there were northern saw-whet and great horned owls. The Division does not consider that additional MSO ground-truthing or calling surveys are necessary for the Pace fan, SILTA lease, or other projects with MSO habitat and within reasonable distance to the survey points. [05052005]

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. [05052005]

Findings:

Information provided in the application is considered adequate to meet the requirements of this section of the regulations.

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:

Chapter 2, Soils, Sections 220 through 224, discusses the soil resources within the Dugout Mine permit area, in Dugout and Pace Canyons. Relevant soils information includes current and published soil surveys, characterizations, and substitute topsoil identification. The Analysis section discusses resource information as follows:

- Soil Survey Information
- Disturbed Soils
- Undisturbed Soils
- Soil Productivity
- Substitute Topsoil

Soil Survey Information

Soil survey information is provided by both a general-area Order-III and a site-specific Order-I soil surveys. The Order-III survey is reproduced from the SCS "Soil Survey of the Carbon County Area" and is delineated on a general area soils map (Plate 2-1). According to the SCS soil survey, soils present on the east/south-east facing slopes of Dugout and Pace Canyons are part of the Rock outcrop-RubblelandTravessilla complex (#96) while those on the west/north-west facing slopes are shown as Croydon loam (#21) at lower elevations and Midfork family-Comodore complex (#62) at higher elevations in the upper reaches of the canyon. The predominantly stoney to gravelly sandy loam soils formed from sandstone, shale colluvium, and alluvium. Due to steepness of slope and soil quality, all of these soils are highly erosive. Shallow soils dominate the east facing side slopes while generally deeper soils characterize the west facing toe slopes.

Generally, the predominantly stoney to gravelly sandy loam soils formed from sandstone, shale colluvium, and alluvium. Soils within the Rock outcrop-Rubbleland-Travessilla complex and the Midfork family-C omodore complex are typically well drained with moderate permeability, rapid runoff, and are highly susceptible to water erosion. Soils within the Croydon loam have moderately slow permeability, and therefore, depending on slope, erosion characteristics vary from slight to severe. The main point is that because of steepness of slope and soil quality, all of these soils are highly erosive. Shallow soils dominate the east facing side slopes while generally deeper soils characterize the west facing toe slopes.

The Order-I survey of Dugout Canyon was conducted by Chris Hansen of EarthFax Engineering, Inc. (A Qualification statement for performing the Dugout Canyon soil survey

and a personal Resume are provided in Appendix 2-3 with the Soil Test Pit Logs.) A total of 12 soil test pits were excavated and are located on Plate 2-2, Disturbed Area Soil Map. Soil test pits located in disturbed/overburden soils include TP-2, 3, and 11; the remaining pits were located in Datino Variant (Type TS) soils with one pit (TP 16) in Rock Outcrop, Rubbleland, Travessilla (Map Unit 96). All sampling and characterization was according to the Division's Guidelines for Topsoil and Overburden', (see Table 2-1 forlaboratory data and analytical summaries, MRPPits 7, 14 and 14A were not sampled, but pit descriptions were used to estimate soil volumes.)

The soil survey of Pace Canyon was conducted by Dan Larsen of Environmental Industrial Services, Inc. (2003 BLM Environmental Assessment) and supplemented by additional test pits in November 2004. Photographs, test pit descriptions, and a soils map from the 2004 survey of Pace Canyon are found in Appendix 2-3. The Division confirmed the depth of topsoil along either side of the access road during a site visit on April 1, 2005. These deep soils with an 18 inch A horizon are on lesser slopes and cover approximately 1.3 acres (Appendix 2-9). The soils are Cryoborolls and are similar to the Senchert family or Croydon series soils. [04/21/2005]

Disturbed Soils

A large portion of the mine facility's area is covered by overburden and disturbed soils consisting of soil mixed with coal waste and/or waste rock from previous mining operations. These soils are described by soil test pits TP-2, TP-3, and TP-11. The overburden is a mixture of rock and/or coal waste with Travessilla soils. The Travessilla soils are classified by the SCS soil survey as loamy, mixed (calcareous) mesic, Lithic Ustic Torriorthents. The overburden is found in the flat areas and on most of the steep slopes; is moderately well drained, and supports sage brush, juniper, rabbit brush, and a variety of grasses. Soil thickness varies from a few feet to more than eight feet. Generally, the overburden soils are described as a "gravelly loam" with rock concentrations between 10 and 40 percent and rock size that varies from gravel to boulder. Rock fragments are composed of sandstone with some siltstone blocks.

Undisturbed Soils

The remainder of the facilities area has soils that appear to be undisturbed or have been only slightly disturbed. Soils present in the canyon bottom lie within the disturbed and undisturbed areas of the mine. The undisturbed soils were identified by the Order-I survey as part of the SCS listed soil unit Datino Variant complex, and were given the distinction "Soil Type TS. " According to the SCS Carbon County soils survey, the Datino Variant soil complex is characterized as very deep, well drained, moderate permeable soils on mountain slopes being formed in colluvium derived dominantly from sandstone and shale. The SCS survey defines Datino Variant soils as loamy-skeletal, mixed Typic Haploborolls. The typic subgroup of Haploborolls[2] is defined as freely drained soils with a moderatelythick brownish mollic

epipedon. Typic Haploborolls were formed in alluvium during the latePleistocene or Holocene ages, do not have a shallow lithic (stone) contact, and do not have deep wide cracks in most years. The USDA handbook further states that where slopes are suitable, Haploborolls are mostly under cultivation.

Undisturbed TS soils, as represented by soil test pits TP-1, 4, 5, 6, 7, 8, 9, 14, and 14A, are found on both sides of Dugout Creek in the northeastern portion and in the southwestern portion of the facilities area. The TS soils are found in flat lying areas and on slopes with grades up to 40 percent or more. The soil supports vegetation consisting of sage, cottonwood, Gambel oak, grass, pinyon, and fir. Information condensed from soil test pit TP-4, TP-6 and lower sections of pit TP-1 show soil horizons 01 (1 inch), Al (1 to 5 inches), B2 (5 to 14 inches), B3 (14 to 28 inches), and C (28 inches to 9 feet). Portions of TP-5 and TP-8 soil profiles appear to have been reworked by Dugout Creek; the upper four feet of TP-1 soil profile appear disturbed. Undisturbed Type TS soils have acceptable physical and chemical characteristic results consistent with requirements outlined by DOGM's soil and overburden guidelines as recorded in Table 2-1.

Other undisturbed soils located within the Disturbed Area Boundary and described by the SCS soils Order-III survey include Croydon loam, Comodore-Datino Variant complex, and Rock OutcropRubbleland-Travessilla complex soils.

Soil Productivity

Current soil productivity for the undisturbed and/or slightly disturbed soils is reported by the 1996 survey for living cover percentages as recorded in Section 321.100.

Substitute Topsoil

The disturbed soils within the mine area have been significantly altered by previous mining activities and have lost their native identities. These disturbed soils, or overburden materials, typically contain waste rock and/or coal waste. With the exception of rock fragments and coal waste, these overburden materials have physical and chemical properties that are within DO GM's acceptable range for soil and overburden guidelines and could therefore be considered a substitute topsoil. The Division recognizes that native soils contain high percentages of rock fragments, is inevitable and does not present a reclamation hazard. Indeed, to reclaim and restore the land to pre-mining conditions will require soils with indigenous rock fragment volumes and content. Therefore, it is not only acceptable, but desirable to salvage soils containing intrinsic rock. Waste and coal waste will be segregated from the soils and disposed of properly.

Findings:

The information provided meets the regulatory requirements of this section.

LAND-USE RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.22; R645-301-411.

Analysis:

Land use resource information is given in Chapter 4 of the plan. Premising land uses for the permit area are wildlife habitat and rangeland for cattle and sheep grazing. The land has not been developed or improved for these uses. Recreational use of the permit area is limited due to lack of access through private property. Carbon County has zoned the permit area for mining and grazing (Section 4.11.120). Logging operations were conducted within the permit area in 1996 as shown on a map in Exhibit B, Appendix 4-3. Cascade Resources, logging contractor, reported harvesting six million board feet from the areas shown in Exhibit B. Most of these areas are within the Dugout Creek drainage.

Current productivity of the land surrounding the proposed disturbed area was estimated by George Cook, National Resources Conservation Service, on August 6, 1996 to be 1400 pounds per acre air dry herbage and in low good condition. On December 3, 1997, Mr. Cook reported the Dugout Canyon Mine to have 800 and 1500 pounds per acre air dry herbage in the piny on/juniper/sage and riparian areas respectively. Mr. Cook indicated in a telephone conversation on March 5, 1998, that there was no snow on the ground at the December 3 visit. Previous productivity statements about Dugout Canyon showed the area to be severely overgrazed and degraded in the late 1970's and early 1980's. The proposed disturbed area is still grazed, but it is in a somewhat better condition.

A drive through of the permit area above the disturbed area where logging operations had been conducted revealed a degraded condition in the summer of 1997. Steep slopes along Dugout Creek had been logged, roads cut with material side cast, and limited visible revegetation had occurred at that point. Timber slash was in the stream, a culvert plugged, and several small slides had deposited sediment into Dugout Creek. Flatter riparian areas were overgrazed with streambanks sloughing and grass approximately an inch high. DWR stated that logged areas had little ground cover and there were numerous roads which concentrate water flows. Appendix 7-9, page 2, says the logged Douglas fir area was rated in fair condition. The description of the Douglas fir logged area did not accurately reflect on the ground conditions. Mike Suflita, Division Hydrologist, stated that the culvert sizing was conservative and adequate to account for the increased runoff and sedimentation from logging activities within the watershed.

Coal mining has occurred within Dugout Canyon since 1925. The Red Glow Mine on the east side of Dugout Canyon was hand-developed by D. J. Collins in 1925. The Rock Canyon seam on the west side of Dugout Canyon was first mined in 1952 by E.S.O. Coal

Company. The Knight Ideal Coal Company mined the Rock Canyon and Gilson coal seams between 1958 and 1964. They extracted approximately 1,326,000 tons of coal in that period. No coal has been mined since 1964, although the portals have been opened and explored several times since then.

The Fish Creek and Pace Canyon Mines which operated in the early 1900's are also located within the permit area. The site of the Pace Canyon fan portals is located at the former Snow Mine. The Snow mine became active in 1906 with largest output occurring between 1932-1940. The site was inventoried in 1980, but was not recommended for nomination to the historic register. A subsequent investigation of the site in 2001, revealed that the site had been destroyed by logging activity. Plate PC5-4 shows an access road through the fan portal site and indicates the pre-disturbance mine workings on the east side of the creek and the mine dumps within the disturbed area boundary on the west side of the creek. [04/21/2005]

The Thayn Trust Surface Use Agreement is included in Appendix 4-2. This agreement outlines the use of CFC owned surface, grazing allotments BLM #4079 and State #21722 and water rights by the Thayn's in exchange for surface use of the lands described in Exhibit A of the Agreement. Exhibit A indicates that all of Section 30 T 13 S, R 13 E is owned by the Thayn Trust, except lots 1 and 2 (which are U.S.A., BLM administrated properties, see Plate 1-1). The Thayn family trust also owns the rights to grazing in Pace Canyon Allotment #24085 as well as the lands above the Pace Canyon site. The holding corral for livestock (80 head) is located outside of the lease area, ½ mile downstream of the Pace Canyon fan portal site (Plate 4-1 and Section 411.130). The main watering source in the immediate area is Pace Canyon creek. [04/21/2005]

Appendix 4-2 contains the BLM (surface owner) comments concerning the post mining land use in Pace Canyon. [04/21/2005]

Findings:

Information provided in the proposal in considered adequate to meet the requirements of this section of the regulations.

ALLUVIAL VALLEY FLOORS

Regulatory Reference: 30 CFR 785.19; 30 CFR 822; R645-302-320.

Analysis:

The Phase 2 submittal presented several factors that preclude the mine site from being classified as alluvial valley floors. Based on information presented, the following findings can be made:

- No significant deposits of stream-laid alluvium exist within the permit area. The closest areas of alluvium occur outside the permit area, approximately 2,000 feet downstream area along Dugout Creek and 600 feet north in the headwaters of Pine Canyon.

- Stream-laid deposits within the proposed disturbed area do not "hold" Dugout Creek as required by the AVF definition. The Dugout Creek is generally held by underlying bedrock.

- No irrigated agriculture has or does occur within the permit and adjacent areas.

- No flood irrigation or subirrigation of stream-laid deposits have historically occurred within the proposed disturbed area.

- Soil and topographic conditions within the proposed disturbed area preclude future flood irrigation of the site.

Finally, the proposed disturbed area occurs mainly upland. Therefore, by definition, no Alluvial Valley Floor exists.

Findings:

The information provided meets the regulatory requirements of this section.

PRIME FARMLAND

Regulatory Reference: 30 CFR 785.16, 823; R645-301-221, -302-270.

Analysis:

No prime farmland has been identified within the presently proposed Dugout Canyon Mine permit area. A negative prime farmland determination was concluded in 1980 for the Sage PointDugout Mine permit (ACT/007/009). Within the immediate mine facilities area, the Soil Conservation Service's (SCS) "Soil Survey of the Carbon County Area"[3] identify Croydon Loam, Comodore-Datino Variant complex, Midfork family-Comodore complex, and the Rock outcrop-Rubbleland-Travessilla complex as non-irrigated soils. The Croydon Loam is rated good for livestock grazing and is well suited for timber harvesting of aspen. For Comodore-Datino Variant, Midfork family-Comodore complex, and Rock outcrop-Rubbleland-Travessilla complex, these soils are not considered grazeable by livestock and the soil-unit areas are limited for harvesting wood products because of slope steepness, surface stones and boulders, and abundant rock outcrops.

Findings:

The information provided meets the regulatory requirements of this section.

GEOLOGIC RESOURCE INFORMATION

Regulatory Reference: 30 CFR 784.22; R645-301-623, -301-724.

Analysis:

Geologic information includes a description of the geology of the proposed permit and adjacent areas down to and including the stratum immediately below the lowest coal seam to be mined and the aquifer below the lowest coal seam to be mined that may be adversely impacted by mining. This description includes the areal and structural geology of the permit and adjacent areas, and other parameters that influence the required reclamation. It also shows how areal and structural geology may affect the occurrence, availability, movement, quantity, and quality of potentially impacted surface and ground water. The description is based on maps and plans required as resource information for the plan, detailed site specific information, and, geologic literature and practices.

Descriptions of the stratigraphy and lithology of strata from the Mancos Shale up to the Colton Formation and of Quaternary pediment gravels and alluvium are in Section 624.100. That section alsocontains a discussion of geologic structure and a very brief description of the nature, depth, and thickness of the coal seams and the interburden between the Sunnyside, Rock Canyon, and Gilson seams. Plate 6-4 is an isopach map of the Rock Canyon seam overburden thickness and Plate 6-5 is an isopach map of the Rock Canyon to Gilson seam interburden thickness. Plates 6-6 and 6-7 in the Confidential binder are, respectively, isopach thickness maps of the Rock Canyon and Gilson seams.

The Gilson and Rock Canyon seams are both sufficiently developed to allow for economic mining in the proposed permit area but only the Rock Canyon seam is to be mined under the proposed MRP. Minable coal in the Rock Canyon seam ranges from 5 to 8 feet in thickness (p. 6-15). Although the current permit application does not include federal acreage, an R2P2 for the logical mining unit that includes Soldier Canyon and Dugout Canyon Mines and federal lease U-07064-027821 is included in the Confidential binder.

Appendix 6-1 (Confidential binder) contains cutting and core logs for drill holes 3-1, 9-1, 9-2, 10-1, 11-1, 13-1, 13-2, 14-1, 15-1, 15-2, 15-3, 19-2, HCC-4 (H-4), KCC-A and KCC-E. Collar or ground elevations are included in Appendix 6-1. Drill hole locations and elevations are shown on Plate 6-1.

Some bore holes have been logged from the surface to total depth, for others only the coal seams and adjacent strata have been logged. Together, the logs describe lithologic characteristics and thickness of each stratum from the surface to below the coal seams. Ground water occurrence was not marked on these logs at the time the holes were bored (p. 6-17). Bore hole logs were used to construct the cross sections on Plate 6-3, which show the interval from the Sunnyside coal zone to below the Gilson coal zone. Figure 6-1 is a more general cross section from the surface to the Mancos Shale.

Analysis reports on coal, floor, and roof samples from the Rock Canyon and Gilson seams are found in Appendix 6-2 (Confidential binder). Floor and roof samples of the Rock Canyon seam were collected from one of the portals of the abandoned Rock Canyon seam mine in Dugout Canyon (portals shown on Plate 5-1) and a sample of coal was taken from a fresh coal outcrop located a few-hundred feet inside. The location where the coal, roof, and floor samples were collected for the Gilson seam is shown on Figure Al in Appendix 6-2 in the Confidential binder.

Samples were analyzed for acid- or toxic-forming and alkalinity-producing materials, including total sulfur but not pyritic or other specific forms of sulfur. BTU, ash, and sulfur content of the Rock Canyon coal are briefly summarized at the end of Section 624.100. No unacceptable values were reported for the parameters listed in Table 2 of UDOGM's "Guidelines for Management of Topsoil and Overburden for Underground and Surface Coal Mining. "

Data from one location are probably insufficient to determine the potential for acid- and toxicforming materials for the entire proposed mine. However, waste material from the mine is not to be used in reclamation. (Although not part of this permit submittal, future development of a waste-rock disposal site has been contemplated.) Limited topsoil will be available for reclamation, so selected overburden materials from the facilities area and B and C horizon soils from the sediment pond area will be used as substitute topsoil and growth media during reclamation. Current information indicatesthese materials are within acceptable acid- and toxic-forming parameters (Table 2-1). Data from the adjacent Soldier Creek Mine and other operations in the Book Cliffs support the determination of low potential for acid- and toxic-forming or alkalinity-producing material. The MRP contains a commitment (p. 2-33) that where overburden materials are used to supplement topsoil, they will be used only after it has been demonstrated that the resultant soil is suitable for supporting revegetation.

Clay content was determined for the roof and floor rock samples. The sample from the roof of the Gilson seam contained 20 % clay, but clay content of the other roof and 2 floor samples was less than 10 %. Drill-hole logs indicate lithology of strata immediately above and below the minable coal varies within the permit and adjacent areas. Several factors, such as thickness of overburden, use of a 35° angle of draw in formulating the subsidence control plan, anticipation that most of the land within the permit area will eventually be affected by subsidence, and the low potential for material damage from subsidence indicate additional

determination of engineering properties of roof and floor rock would be of little value. No additional determinations of thickness and engineering properties of clays or soft rock are needed prior to approval of the proposed MRP.

Rock Canyon coal thickness in the proposed permit area ranges from 5 to 8 feet, except for a want in the north-central part of the proposed permit area, where coal thins to under 3 feet (Plate 6-6). Maximum subsidence can be projected as 3.5 to 5.6 feet, based on the assumption that the surface will subside up to 70 % of the thickness of the extracted coal. Overburden thickness ranges from 600 feet in the south part of the proposed permit area to over 2,400 feet in the north. Overburden consists of the upper Blackhawk Formation, the Castlegate Sandstone, and the Price River, North Horn, and Flagstaff Formations, which are described in Section 624.100. Gilson to Rock Canyon interburden thickness is 30 to 80 feet over most of the proposed permit area, and up to 100 feet at the west edge (Plate 6-5), and Rock Canyon to Sunnyside thickness is 140 to 180 feet.

The application includes geologic information in sufficient detail to assist in determining the probable hydrologic consequences of the operation upon the quality and quantity of surface and ground water in the permit and adjacent areas, including the extent to which surface and ground water monitoring is necessary; and determining whether reclamation as required by the R645 Rules can be accomplished and whether the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area.

At this time the Division does not require the collection, analysis, and description of additional geologic information to protect the hydrologic balance, to minimize or prevent subsidence, or to meet the performance standards.

The applicant has made no request the Division to waive in whole or in part the requirements of the bore hole information or analysis required of this section. However, the applicant has requested, within the text of the PAP, that the information in Appendices 6-1 and 6-2 be kept confidential. The Applicant should provide this information in a folder or binder separate from the rest of the PAP and marked "Confidential".

Findings:

Information in the geologic resource section is considered adequate to meet the requirements of this section.

HYDROLOGIC RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 701.5, 784.14; R645-100-200, -301-724.

Analysis:

Sampling and Analysis

The Permittee has proposed to meet this requirement by establishing water monitoring sites to monitor surface and ground water on and adjacent to the minesite. In Pace Canyon the Permittee will be adding a two stream sampling sites to the current water monitoring plan, one just aboveand below the propose fan portal site. Two other stream monitoring sites already exist. Stream monitoring site PC-1 is located about ½ mile above the proposed fan portal and site PC-2 is located below the fan site. Monitoring these sites should provide an indication of any difference in water quality diminution as a result of mining activity. Where possible, all water samples collected for use in the MRP were analyzed according to methods in either "Standard Methods for the Examination of Water and Wastewater" or 40 CFR parts 136 and 434. Where feasible these same references were used as the basis for sample collection (p 74).

Appendices 7-2 and 7-7 contain tabulated summaries of the water-quality data but the original laboratory reports are not in the MRP. Much of the water-quality data in the appendices was not obtained directly by the applicant and the applicant had no control over either collection or analysis methods.

Baseline Information

Ground-water information

The Permittee has meet the minimum requirements for this section because the initial PAP, water monitoring data was done at 13 (6 springs and 7 in-mine locations) sites listed in the initial PAP. On average only 3 samples were analyzed for those thirteen sites, so determination of baseline seasonal quality was minimal for specific sites; however, overall baseline ground-water quality and quantity information was considered sufficient to characterize baseline ground-water conditions for the permit area.

Four springs are to be monitored for operational water quality and quantity: SC-65, SP-20 (same as S-30), SC-14, and SC-100. Water rights have not been filed on these springs. The permittee selected these springs because "These springs are reasonably accessible and, based on the historical data, are representative of conditions within their respective formations. " (Page 7-54). However, there is actually little historic data for these springs, and it is necessary to rely on data from the Soldier Canyon Mine and surrounding springs to extrapolate baseline information. These springs will be monitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 7-4 (page 7-54).

Water-quality samples were to have been collected during 1997. October 1997 data at SC-65, SC-100, and SP-20 were mistakenly collected as field parameters only rather than

water-quality parameters, and no data at all were collected at SC-14 that month. The permittee collected no water samples nor made any determinations of field parameters during the first quarter of 1998, but by agreement with UDOGM monitoring was done early in the third quarter as representative of the second quarter. Unfortunately field parameters only, rather than water-quality parameters, were determined for these samples.

There are flow data for SC-65 from July 1976, September and October 1995, August and October 1997, and June 1998. Water-quality data were determined for August 1997, and a few waterquality parameters were determined for July 1976. Flows were measured in 1995 at other Colton Formation springs: in September and October at SC-45, SC-46, SC-50, and SC-99, and in October 1995 only at SC-110 and SC-111, but water-quality parameters were not measured. Additional waterquality data for SC-65 are needed before mining disturbs this area, which will not be at least until such time as federal lease U-07064-027821 to the east is added to the permit area. This spring will be monitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 7-4 (page 7-54).

SP-20 has data from 1976 to 1981 that includes both flow and quality determinations, but total iron and manganese are notably absent; total iron and manganese were included in water-quality data from September and October 1995 and August 1997 (S-30) and operational parameters were monitored in October 1997 (S-30) and June 1998. Nearby springs that also flow from the Flagstaff Formation, SP-15, SP-17, and SP-18, have data back to June 1976 that include some total iron and total manganese concentrations. Data are available to deduce water-quality conditions for the area around SP-20, but water-quality conditions specific to SP-20 need to be determined. This spring will be monitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 7-4 (page 7-54).

For spring SC-14 there are flow data from September and October 1995 and June 1998, but there are no water-quality data. SC-14's flow is small but appears to be the largest from the North Horn Formation in the area. Nearby springs SC-15, SC-16, SC-16, and SC-17 that also issue from the North Horn Formation were dry when visited in 1995. SP-13, SP-16, SP-19, SC-87, and SC-102, other North Horn springs located within a few miles, were dry or had low flows or just seepage in 1995. There is basically no water-quality information for SC-14 or related springs. Additional waterquality data are needed before mining disturbs this area, which will not be until after the year 2001 according to the proposed mining sequence shown on Plate 5-7 of the MRP. This spring will be monitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 7-4 (page 7-54).

Spring SC-100 has flow data from September and October 1995, August and October 1997, and June 1998 but water-quality data for August 1997 only. Nearby springs SC-59, SC-82, SC-83, SC-84, SC-85, SC-104, SC-105, SC-114, and SC-115 (Flagstaff) and SC-101 (North Horn) have had low flows and no analyses for water quality. The USGS measured some water-quality parameters in nearby springs G-95, G-96, and G-97 in July 1980. Additional

water-quality data are needed for SC-100 before mining disturbs this area, which will not be at least until such time as federal lease U-07064027821 to the east is added to the permit area. This spring will be monitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 74 (page **7-54).**

The Permittee has provided maps showing there are no groundwater sources, springs or wells in the proposed Pace Canyon fan portal area that may be affected. Plate 7-1 identifies three springs in the Canyon at least one to two miles above the fan portal site. These springs supply flow to the channel that flows along the south side of the fan portal site. The springs will not be impacted by development of the fan portal facility.

Baseline Cumulative Impact Area Information

The permitted area will remain within the boundaries of the existing CIA, and there will be no mining operations in hydrologic basins other than those approved in the current permit. So there is no need for additional cumulative impact area information.

The Pace Canyon fan portal lies within the permitted area and within the boundaries of the existing CIA. The Permittee states that mine water will be discharged from the fan portal directly to the stream. The volume of discharge is unknown and can change with mining conditions. Potential impacts may wash sediments downstream and widen the channel. The operator has committed to conduct a geomorphology study at six sites along Pace Canyon Creek. One site will be below the facilities to assess pre and post mining characteristics of the receiving stream channel in the event mitigation / restoration needs to be done.Modeling

No numerical groundwater or surface water modeling was conducted in support of the proposed Phase II MRP, although some that has been published by others, such as Lines, is referenced.

Alternative water resource information

The statement is made on page 7-40 that "No surface mining will be conducted in the permit and adjacent areas. Therefore, this section does not apply to the Dugout Canyon Mine. " Because of the way R645-301-727 and the definition of "Surface Coal Mining and Reclamation Activities" are written in the Utah Coal Mining Rules, the applicant's response is adequate. Regardless, the determination of the Probable Hydrologic Consequences (PHC) has indicated that the proposed coal mining activities will not result in the contamination, diminution, or interruption of ground-water or surface-water sources within the proposed or adjacent areas, so there is no need for information regarding alternative water sources.

Probable Hydrologic Consequences Determination

A PHC determination prepared by Mayo and Associates in 1996 is in Appendix 7-2. Previous studies in the vicinity of the Soldier Canyon Mine were reviewed for information on geology, hydrology, and hydrogeology and for data on discharge, sediment, and other surface and ground water parameters. Seventeen additional ground and surface water samples were collected in 1995 for chemical and isotopic analyses. In spite of a large data base, most of the analyses lack information on the basic parameters required by the Coal Mining Rules and SMCRA, and on seasonal variation. The PHC determination for the MRP begins on page 741. It is based on the data collected by Mayo and Associates and additional data collected in 1996 and 1997. Collection of operational data began in 1998.

Adverse impacts to the hydrologic balance

Potential adverse effects to the hydrologic balance from the proposed mining operations identified in Appendix 7-3 (p. 60) are: decreased stream flows and spring discharges due to capture of surface or ground water by subsidence, bedrock fracturing, and aquifer dewatering; increased stream flows due to increased discharge of ground water from the Blackhawk Formation through the mine workings; and increased ground water recharge to overlying ground water systems.

The PHC of the MRP (p. 745) states that potential impacts to the availability of surface and groundwater from the Dugout Canyon Mine operations include both decreased and increased stream flows and spring discharges caused by mine-related subsidence, bedrock fracturing, and aquifer dewatering.

Chemical and isotopic analyses of ground water, data from hydrographs, and the behavior of ground water systems in and adjacent to the Soldier Canyon Mine indicate that the mine has not adversely impacted ground water quantity or quality. Subsidence and surface fracturing have not occurred above the Soldier Canyon Mine. Mining locally dewaters strata immediately adjacent to the Blackhawk Formation but does not appear to draw additional recharge from other overlying or underlying ground water systems. Similar geologic, hydrogeologic, and hydrologic conditions exist at the proposed Dugout Creek Mine and the proposed operations should not adversely impact water quantity or quality in ground water systems overlying and underlying the coal to be mined.

The Permittee has committed to install various sediment control measures to prevent contributions of sediment to the stream. Mine water discharge has been identified as having the potential of transporting fine sediments downstream and possibly eroding the channel banks. The volume of mine water discharge is unknown at this time. Preventative measures are planned in the form of riprap to dissipate energy. Mitigation measures will be implemented if monitoring data show impacts have occurred.

Acid forming or toxic forming materials

The probable impacts from acidity, total suspended solids and total dissolved solids were

assessed by the Permittee. Information in Chapter 6 and 7 indicates there are no acid- and toxic-forming materials at the Dugout Canyon Mine to cause adverse impacts.There is no significant potential for contamination of surface and ground waters in the permit and adjacent areas from such materials (p. 7-41).

Important water quality parameters

Data suggest the TDS concentration of water in Dugout Creek may roughly double during lowest flow if water is discharged from the mine to the creek (p. 742). The Permittee has analyzed baseline and operational data from surface water monitoring sites in Pace Creek. Data suggest the TDS concentration of water in Pace Creek could potentially double during lowest flow if water is discharged from the Mine to the creek. Dominant ions (sodium and bicarbonate) in the Blackhawk Formation water closely match those in Dugout Creek during periods of low streamflow (sodium, manganese, bicarbonate, and sulfate). During periods of high streamflow the dominant cation in Dugout Creek is calcium. Use of powdered limestone or dolomite (calciummagnesium carbonate) rather than gypsum (calcium sulfate) as rock dust in the mine should reduce the possible chemical influence of mine-discharge water on Dugout Creek.Based on experience at the Soldier Canyon Mine, there is minimal potential for tension cracks to locally divert water deeper into formations, which could result in increased leaching and increased TDS concentrations (pp. 7-43 and 7-44).

Dugout Creek is classified as class 2B (secondary contact recreation use), 3C (nongame fish and other aquatic life use), and 4 (agricultural use). If discharges occur from the Dugout Canyon Mine to Dugout Creek, TDS concentration of these discharges will not exceed applicable water-quality standards. Pace Creek is classified as class 2B (secondary contact recreation use), 3C (nongame fish and other aquatic life use), and 4 (agricultural use). If discharges occur from the Dugout Canyon Mine to Pace Creek, TDS concentration of these discharges will not exceed applicable water-quality standards. Iron and manganese concentrations in waters from the Blackhawk Formation and Dugout Creek indicate that the concentration of iron and manganese in the creek should not be significantly affected by discharges from the mine (p. 7-43).

Ground water and surface-water availability

The Permittee has evaluated potential adverse effects to the hydrologic balance from the proposed mining operations. Impacts can include decreased and increased stream flows and spring discharges due to capture of surface or ground water by mine-related subsidence, bedrock fracturing, and aquifer dewatering; increased stream flows due to increased discharge of ground water from the Blackhawk Formation through the mine workings; and increased ground-water recharge to overlying ground water systems. It appears that the Soldier Canyon Mine has not decreased groundwater discharge in overlying or underlying groundwater systems. It is unlikely that coal mining will affect the discharges of any spring as a result of mining in the Dugout Canyon permit and adjacent areas (Appendix 7-3 and MRP - pp. 7-45 through 7-47).

Considerable seasonal and climatic variability are noted in the hydrographs of springs in the permit and adjacent areas, but data for both Soldier Creek and springs that overly the Soldier Canyon Mine workings do not show discharge declines which may be attributed to either subsidence or bedrock fracturing. The Blackhawk groundwater system in the vicinity of mined coal seams is compartmentalized both vertically and horizontally. Coal mining locally dewaters overlying rock layers in the Blackhawk Formation but does not appear to draw additional recharge from overlying or underlying groundwater systems (p. 7-46).

Steady-state inflow to the Dugout Canyon mine is expected to be approximately 220 gpm (p. 749). Mine consumption is estimated to be 30 gpm, leaving 190 gpm (306 acre-feet/yr) discharge to Dugout Creek, which would represent an increase of approximately 6% over average annual flow of 5,100 acre-feet/yr (p. 7-50). Estimated maximum discharge from the Dugout Canyon Mine will be approximately 400 gpm. If this maximum rate were sustained for a full year it would be a 13% increase in the estimated average annual flow of Dugout Creek (p. 7-50).

The potential for mine water discharge and increased flow rates in Dugout Creek are based on the studies of Lines (1985 - see MRP for reference). Actual data that could be used to correlate coal production rates to mine water discharge rates at the Soldier Canyon Mine and to predict mine water discharge rates for the Dugout Canyon Mine are not in the PAP. Annual reports provide some information.

The Permittee has evaluated potential adverse effects to the hydrologic balance the fan portal proposed in Pace Creek. If water is discharged from the air shaft to Pace Creek, there will be an increase in the average stream flow.

Flooding or streamflow alteration

Runoff from all disturbed areas will flow through a sedimentation pond or other sedimentcontrol device prior to discharge to Dugout Creek, which will minimize or preclude flooding impacts to downstream areas. There is a potential that mine water will be discharged from the Mine to Pace Creek. The amount of discharge is unknown at this time. Discharges will be monitored. Geomorphology studies will be conducted on Pace Creek to determine if impacts from mine discharge take place.

Flooding and streamflow alteration were assessed by the Permittee for streams in the permit area and this will be done for Pace Creek. The volume of flow may increase in Pace Creek if water is discharged from the Mine. The Permittee has submitted designs for a sedimentation pond and other sediment-control devices that will treat runoff prior to discharge to Pace Creek. The structures are designed to be stable. Flow routing through sediment control structures will reduce peak flows from the disturbed area. Runoff from the disturbed area will flow through a catch basin or other sediment control device prior to discharge to Pace Creek.

This will minimize or preclude flooding impacts to downstream areas.

The volume of streamflow will increase in Dugout Creek if water is discharged from the mine to the creek: care will be taken during discharge of this water to avoid flooding of downstream areas. Potential impacts to the creek channel include displacement of fines on the channel bottom and minor widening of the channel. It is anticipated that the streambank vegetative community will increase in density and vigor as a result of mine-water discharges, and this vegetation will in turn minimize widening of the channel.

Once mining ceases the mine will be sealed, discharges will cease, and flows in Dugout and Pace Creeks will return to pre-mining discharge levels. Following reclamation, stream channels altered by mining operations will be returned to a stable state. Reclamation channels have been designed to safely pass the peak flow resulting from the 10-year, 6-hour or the 100-year, 6-hour precipitation event, so flooding in the reclaimed areas will be minimized. Interim sediment-control measures and maintenance of the reclaimed areas during the post-mining period will preclude deposition of significant amounts of sediment in downstream channels, maintain the hydraulic capacity of the channels, and control adverse off-site flooding.

Subsidence tension cracks that appear on the surface will increase the secondary porosity of the formations overlying the Dugout Canyon Mine. During the period prior to healing of these cracks this increased percolation may decrease runoff during the high-flow season, and during low-flow periods the increased percolation from the high-flow season may return to the stream as base flow The net result will be a decrease in the flooding potential of the stream (pp. 7-44 and -45).

Sediment yield from the disturbed area

The potential impact of mining and reclamation on sediment yield is an increase in sediment in surface waters downstream from disturbed areas. Sediment-control measures such as sedimentation ponds and diversions will be installed to minimize this impact while the mine is being actively operated, and silt fences and straw-bale dikes will be installed to control erosion as vegetation becomes established during reclamation. These measures will reduce the amount of erosion and control adverse impacts to the environment.

Subsidence cracks that intersect steep-gradient stream channels could increase the sediment yield of the stream; however, sediment would also tend to fill such cracks and return the stream to presubsidence conditions, so the potential impact to sediment yield from subsidence in the permit area would be minor and of short duration (p. 7-42).

Potential Hydrocarbon Contamination

Diesel fuel, oils, greases, and other hydrocarbon products will be stored and used at the site for a variety of purposes. Diesel and oil stored in above-ground tanks at the mine

surface facilities may spill onto the ground during filling of the storage tank, leakage of the storage tank, or filling of vehicle tanks. Similarly, greases and other oils may be spilled during use in surface and underground operations. The probable future extent of the contamination caused by diesel and oil spillage is expected to be small because the tanks will be located above ground and spillage during filling of the storage or vehicle tanks will be minimized to avoid loss of an economically valuable product. A Spill Prevention Control and Countermeasure Plan (SPCC) to be developed for the site upon completion of Phase II construction will provide inspection, training, and operation measures to minimize the extent of contamination resulting from the use of hydrocarbons at the site. This plan is not required to be submitted as part of the MRP; however, a copy will be maintained at the mine site as required by the Utah Division of Water Quality (p. 7-50). Phase I is currently proceeding under a construction SPCC.

Road Salting

No salting of roads will occur within the permit area so this potential impact is not a concern (p. 7-50).

Coal Haulage

Coal will be hauled over the county road from the Soldier Canyon Mine to the Soldier Creek Road and from there to its ultimate destination. In the event of a spill from the trucks coal may wash into local streams. Possible impacts to the surface water are increased total suspended solids concentrations and turbidity from the fine coal particulates. The probability of a spill occurring in an area sufficiently close to a stream channel to introduce coal to the streambed is considered small.

Wind may carry coal dust or small pieces of coal from the open top of the coal trucks into creeks near the roads. The impact from fugitive coal dust is considered to be insignificant due to the small amounts lost during haulage in the permit and adjacent areas (p. 7-50).

Surface-Water Monitoring Plan

For the initial PAP, water monitoring data that potentially met the minimum requirements of SMCRA and the Utah Coal Mining Rules was minimal at most specific sites; however, overall surfacewater quality and quantity information was considered sufficient to characterize surface-water baseline conditions for the permit area.

For DC-1, DC-2, and DC-3 surface-water quality and quantity data from August and October 1997 and April and June 1998 have been included with the proposed amendment. There are also data for DC-1 from March 1998, and additional data for DC-1 extend back to July 1976. August 1997 flows and March 1998 water-quality data for DC-4 and DC-5 have also

been included; these data were collected because of a misunderstanding by the operator and these 2 sites are not scheduled for quarterly monitoring of either field or operational water-quality parameters.

The Permittee has monitored hydrologic sites in Pace Canyon for baseline conditions. The data has been entered into the Utah Coal Water Monitoring Database. Surface water quality and quantity information is considered sufficient to characterize baseline conditions for the fan portal area.

Findings:

Hydrologic resource information provided in the PAP is considered adequate to meet the requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Affected Area Boundary Maps

The Applicant has met the requirements of R645-301-521.141. Plate 5-5 clearly shows the boundaries of all areas proposed to be affected over the estimated total life of the coal mining and reclamation operations.

Archeological Site Maps

The MRP meets R645-301-411.141 because there are archeological maps showing known resource locations within the permit area. These maps are in the Confidential Files (Division PIC room after June 2005).

Coal Resource and Geologic Information Maps

Surface geology for the permit and adjacent areas is shown on Plate 6-1, a certified map. Elevations (to the nearest 40 feet) and locations of test borings are also shown on Plate 6-1. Coal crop lines are shown on Plates 6-1 and 6-2. Strike and dip of strata at the surface are shown on Plate 6-1 for several locations within and adjacent to the southwest corner of the proposed permit area: dip is also indicated by cross-section A-A' (Figure 6-1). Strike and dip are apparently uniform over a larger area, but explicit information for the larger area would be useful.

Limited information on nature, depth, and thickness of the Rock Canyon seam, which is the coal seam to be mined, is on bore hole logs in Appendix 6-1 (Confidential binder) and on cross-sections B-B' and C-C' (Plate 6-3). Similar information on the overlying Sunnyside seam and the underlying Gilson seam is on cross-sections B-B' and C-C' (Plate 6-3), and also on bore hole logs in Appendix 61. Overburden is shown on bore hole logs in Appendix 6-1. Plate 64 is an isopach map of the Rock Canyon seam overburden thickness and Plate 6-5 is an isopach map of the Rock Canyon to Gilson seam interburden thickness. Isopach thickness maps of the Rock Canyon and Gilson seams are on Plates 6-6 and 6-7 in the Confidential binder. There is no isopach thickness map of the Sunnyside seam, the principal rider seam.

Cultural Resource Maps

The required maps are contained in the cultural resources evaluation report in Appendix 4-1. This information needs to be placed in the confidential file.

Existing Structures and Facilities Maps

The applicant met the requirements of R645-301-521.122 by documenting the location of the existing structures on Plate 4-1. The existing structures include a power line that will be upgraded and existing dirt roads in the permit area.

Existing Surface Configuration Maps

Plate 5-2 shows the existing surface configuration of the disturbed area. The plate meet the minimum requirements of this section.

Mine Workings Maps

Plate 5-1 shows the location of the mine workings that existed before the Division issued the permit. Plate 5-1 shows the Pre-SMCRA mine workings in the Rock Canyon and Gilson seams and the old mine openings. Richard White certified plate 5-1. Plate PC5-2 shows the location of surface facilities, their elevations and dimensions

Monitoring and Sampling Location Maps

Locations and approximate elevations of bore holes are shown on Plate 6-1. Collar elevations, some estimated from topographic maps, and elevations of cored sections are given in Appendix 6-1 (Confidential binder).

Elevations and locations of monitoring stations used to gather data on water quality and quantity in preparation of the application are on Plate 7-1.

There are no permanent wildlife monitoring sites. Habitat enhancement, the riparian area along Dugout Creek, is shown on reclamation maps.

No map of air quality monitoring sites has been required by UDOGM.

Permit Area Boundary Maps

Figure 1-1, Figure 1-2 and Plate 5-2 met the requirements of R645-301-521.131, 8645-301521.132 and R645-301-521.141.

Subsurface Water Resource Maps

A potentiometric surface map for the Castle Gate Sandstone, covering the eastern portion of the proposed permit and adjacent areas, is shown on Plate 7-3. There are no maps, plans, or cross-sections showing potentiometric surfaces for shallower or deeper strata. Subsurface water within the proposed permit and adjacent areas occurs mainly in perched aquifers in the Blackhawk Formation, the underlying Starpoint Sandstone, and in overlying strata, so an exact areal and vertical distribution of ground water is not known. There is no map of a potentiometric surface for a regional aquifer. Data in the MRP indicate an irregular potentiometric surface in the Blackhawk Formation, near the Soldier Canyon Mine, that is influenced by the outcrop of the Blackhawk Formation in nearby Soldier Canyon, the mine workings, and the non-uniformity of screen length and placement within the strata, and the lateral discontinuity of the strata (p. 7-28). There is no portrayal of seasonal differences of head in different aquifers on cross sections or contour maps, but hydrographs for several springs and graphs of water levels in four monitoring wells are provided.

The relationship of geology to ground water is discussed extensively in the text, yet there is no map that relates geology to ground water occurrence, in particular the location of springs in relation to surface exposures of stratigraphic units.

Spring 10 in the Soldier Canyon Mine permit area issues from the North Horn Formation but the water may originate in a deeper formation and reach the surface through a fracture. The chemistry and long-term hydrographs of Spring SP-10 are more consistent with a deep source, rather than a shallow source such as seen in springs issuing from the Flagstaff, North Horn, and Price River Formations. Isotopic and solute compositions are similar to those in ground water from the Blackhawk Formation. There is no fracture mapped but the major water-bearing fracture in the Soldier Canyon Mine coincides approximately with the surface location of this spring.

Surface and Subsurface Ownership Maps

Plate 1-1 and Plate 1-2 met the requirements of R645-301-521.131 and R645-301-521.132.

Plate 1-1 and Plate show the surface and coal ownership. The applicant gives the legal descriptions of the fee land and coal leases in Chapter 1 of the PAP.

Surface Water Resource Maps

There are no water-supply intakes for current users of surface waters flowing into, out of, and within the proposed permit and adjacent area. Surface waters that will receive discharges from affected areas in the proposed permit area are shown on Plate 7-1. Location of surface water bodies such as streams, lakes, ponds, springs, constructed or natural drains, and irrigation ditches within the proposed permit and adjacent areas are shown on Plate 7-1.

Vegetation Reference Area Maps

The MRP meets R645-301-323.100 because vegetation maps illustrate community types within the disturbed and reference areas, as well as illustrate the location of reference areas. The Division typically requests two vegetation maps: one that shows the entire area (Plate 3-1 is adequate) and one that details the reference and disturbed areas. Not all the reference areas are illustrated on a singe map because the Dugout Mine is spread over an expansive area. Plate 3-1 shows most of the reference areas or range sites, while Volumes - Refuse Pile Amendment and Methane Degassification Amendment show project specific reference areas. [05052005]

The Permittee plans to use reference areas for certain projects, but use range sites for other projects including the main facilities area.

Reclamation maps show the location of the habitat enhancement mitigation project of the riparian area along Dugout Creek.

Well Maps

There are no gas and oil wells within the proposed permit and adjacent areas. There are no water wells in the proposed permit and adjacent areas.

Contour Maps

Plate 5-4 shows the existing topography, Plate 5-2 shows the proposed topography during mining and Plate 5-5 shows the topography after reclamation. The Division reviewed these plates and determined that they adequately showed the surface configurations. Plate PC5-2 shows the existing topography and the proposed topography during mining. Plate PC 5-5 shows the topography after reclamation.

Findings:

The information provided by the Permittee meets the minimum regulatory requirements

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

General

In Phase II the applicant describes the Dugout Mine as an underground mine. The coal will be extracted by room-and-pillar methods. Estimated production will be 2,000,000 tons per year.

Type and Method of Mining Operations

In Section 523 the Applicant states:

"Room-and-pillar mining methods will be used in the Dugout Canyon Mine. The use of this mining method has been selected to maximize coal recovery and enhance production rates within the specific geologic constraints of the permit area. Longwall mining methods may be planned if the selective horizon control can be achieved that is necessary to reduce dilution of the coal with rock from the in-seam partings.

Continuous miners will be used, with either electric or diesel shuttle cars to haul coal to a feeder breaker at the section conveyor belt terminal end. Alternatively, electric continuous haulage system(s) between the miner and the section conveyor belt may be used. The continuous haulage system is comprised of a coal collecting hopper car located at the miner discharge boom, several track-mounted articulating mobile bridge conveyors, intermediate suspended bridge sections, and a rigid frame module conveyor assembly to discharge onto the section conveyor belt. The continuous haulage configuration is designed for higher production rates as compared with shuttle car haulage and will be used mostly in first and second mining panels. Roof bolters, scoops, power centers, and other auxiliary support equipment will be used in all mining sections.

Mining will consist of driving five to seven main and submain entry systems. Production panels, driven from these access entry systems, will consist of rooms and pillars. Pillar extraction in the panels (second mining) is planned up to overburden depths of approximately 1,750 feet. It is anticipated that full roof bolting plans will be mandatory from

MSHA and that bolting of the ribs throughout the mine will not be required.

Equipment heights and economics will limit seam mining heights to a minimum of 6 feet. Roof bolters planned for use at the Dugout Canyon Mine (Fletcher Model HDDRs) are 73 inches high. The Long Airdox continuous haulage system operator cabs are 77 inches high. The rock duster-equipped Joy continuous miner is 72 inches high. It is presumed at this time that these equipment pieces may be modified to less than 72-inch operating and transport heights without impairing performance, safety, or upper limit operating heights to allow 72-inch mining heights. If such modifications are disallowed by MSHA or not made possible by the equipment manufacturers, or impede productivity, recovery of reserves in this height range may not be possible.

Anticipated Production. Anticipated annual production of coal from the Dugout Canyon Mine during the permit term is a follows:

1998 - 0.1 tons 1999 - 1.0 million tons 2000 - 1.5 million tons 2001 - 2.0 million tons 2002 - 2.0 million tons

Through the remaining life of the mine, coal production from the mine is anticipated to be 2.0 million tons per year. "

The Applicant met the requirements for R645-301-523 by giving the Division a description of the proposed mining method. The Applicant proposes to develop a coal mine that will have an annual production of 2,000,000 tons. The surface area available to the Applicant is limited because of topography. Because of the limited surface area at the mine site, the Applicant wants to minimize surface facilities.

Facilities and Structures

The applicant lists facilities and structures that existed at the mine site just before the permit issuance. The applicant also lists the facilities and structures that they plan to construct in Section 526 and 528 of the MRP. The Division has enough information to evaluate those structures. The Division's analysis of each structure is given in the section of the TA that deals specifically with that structure.

The Permittee found it necessary to enhance the ventilation system of the Dugout Canyon Mine and permitted a new surface disturbance in Pace Canyon containing an intake portal entry and an exhaust fan / air shaft in the Spring of 2005. The increase in disturbance amounted to 2.7 acres.

Findings:

The applicant met the minimum requirements of this section.

EXISTING STRUCTURES:

Regulatory Reference: 30 CFR 784.12; R645-301-526.

Analysis:

The two existing structures in the permit area are the main access road and the power lines. The main access road is owned by the county up to the Applicant's property line. The dirt road continues through the proposed disturbed area. There is a power line in the proposed permit and disturbed area. The only potential user for the power line is the Applicant. The Applicant plans on upgrading and moving the power line during construction.

There are several dirt roads, jeep trail and wheel tracks in the proposed permit area. Those roads are owned by the Applicant and access is limited. The Division will not require the Applicant to identify each of the dirt roads, jeep trail and wheel tracks that will not be used for mining activities or used only for monitoring and data collection activities.

Findings:

The Applicant has met the minimum regulatory requirements of this section.

PROTECTION OF PUBLIC PARKS AND HISTORIC PLACES

Regulatory Reference: 30 CFR784.17; R645-301-411.

Analysis:

There are no known public parks or historic places within the permit area.

Appendix 4-1 contains cultural resource information. There are two cultural resource sites in the vicinity of the disturbed area, but only one of these, some pictographs, is considered eligible for listing in the National Register of Historic Places. The other is the historic Dugout Canyon Mine, and it will be obliterated by the new mine. The pictographs are about 700 feet outside the area that would be disturbed, so they should not be affected by mine construction itself.

The consultant that did the cultural resources survey recommended there be no blasting within 600 feet of site 42 Cb 92, and the road passes within about 220 feet of the site. The contractor doing the road construction was warned about this situation but blasted anyway. However, it does not appear the site was damaged.

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

RELOCATION OR USE OF PUBLIC ROADS

Regulatory Reference: 30 CFR 784.18; R645-301-521, -301-526.

Analysis:

The Applicant does not propose to relocate a public road. The Applicant does propose to have a public road within the disturbed area boundaries. The county road ends at the BLM/State property boundary, which is located approximately 300 feet northeast of the southwest edge of the proposed disturbed area boundary. The public will be protected from coal mining operations by:

- Maintaining a berm along the south edge of the road at the outlet of culvert UC-5 and the energy disspator, whose height will be equal to at least the axle height of the vehicles which frequent the road.

- Maintaining a berm along the north edge of the road adjacent to the sedimentation pond, whose height will be equal to at least the axle height of the vehicles which frequent the road.

The protection facilities are similar to those in other coal mines. Signs will warn the public that they are entering an active mine. The berms will protect the public from the hazards associated with the ponds

Findings:

The Applicant met the minimum requirements of this section.

AIR POLLUTION CONTROL PLAN

Regulatory Reference: 30 CFR 784.26, 817.95; R645-301-244, -301-420.

Analysis:

Section 420 of Chapter 4 discusses compliance with the Clean Air Act. A copy of the Air

Quality Approval Order is in Appendix 4-2. A Notice of Intention will be submitted to the Division of Air Quality requesting approval for a production rate of two million tons per year. This will need to be approved before the mine produces this much coal.

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

COAL RECOVERY

Regulatory Reference: 30 CFR 817.59; R645-301-522.

Analysis:

In Section 522 of the PAP the applicant states:

Mining operations at the Dugout Canyon Mine during the first 5 -year mining term will occur in the Rock Canyon Seam. Future mining operations may also occur in the Gilson Seam. If the decision is made to mine in the Gilson Seam, information pertaining to the mining of this seam will be included in the MRP prior to the performance of such mining. The overall objective of mining operations in the permit area will be maximum coal recovery coupled with safety. Coal recovery at the mine has been and will continue to be maximized through the following efforts:

- Based on pre-mining analysis of drill-hole data and information obtained from past mining operations in the area, estimates of the nature, depth, and thickness of the coal seam and associated partings have been made. Using these data, the mine plan and mining methods will be periodically evaluated and amended as necessary to maximize coal recovery; and

- Experience gained during mining will be used to amend future mine plans if coal recovery can be increased.

The mine layout has been planned relative to panels, barriers, and pillars to optimize both coal recovery and safety.

Additional information regarding the coal recovery plan is provided in the Confidential Information folder associated with this MRP. Generally, the minimum mining height will be 6 feet. Based on the anticipated room and pillar mining method, the overall recoverable ratio of the in-place coal reserve is anticipated to be 55 percent.

The Division has reviewed the coal recovery plan in the confidential folder. The guidelines for coal recovery are similar to those approved by the BLM for coal recovery on federal leases.

The Division was informed informally by the applicant that longwall mining will be used to mine most of the coal. The applicant is interested in constructing the surface facilities when possible. Therefore, they want to amend only the surface facilities portion of the MRP. Formal changes to the coal recovery section of the MRP will be submitted later. The Division cannot deny the changes to the surface facilities because the applicant plans to change the mining method. Amending the MRP in piecemeal fashion increases the total time needed to process the changes.

Findings:

The applicant has met the minimum regulatory requirements of this section.

SUBSIDENCE CONTROL PLAN

Regulatory Reference: 30 CFR 784.20, 817.121, 817.122; R645-301-521, -301-525, -301-724.

Analysis:

Renewable Resources Survey

R645-301-525. 100, requires the applicant to survey the permit and adjacent areas for structures and renewable resources that have the potential for being damaged by subsidence. Section 525. 100 of the PAP contains the subsidence control plan in it the applicant states:as noted in Section 521.100, no transmission lines, pipelines, or agricultural drainage tile fields exists within the area of potential subsidence. As described in Section 527.200, the roads within the area of potential subsidence consist of private roads that are owned and maintained by the parent company of SCM. These are unimproved dirt roads that will be used for access to the lease area. While localized damage may occur to these roads from subsidence, this damage will not be monetarily significant to the owner, since the owner is the parent company of SCM. No other structures are known to exist within the area of potential subsidence.

Renewable resource lands within the permit and adjacent areas are shown on Plate 4-1 and discussed in Section 411 of this MRP. The area of potential subsidence is currently used for livestock grazing and wildlife habitat, with limited timber production on adjacent lands to the east of Dugout Canyon (see Section 411.120). Hydrologic resources in the area are discussed in Chapter 7 of this MRP. Information regarding baseline groundwater conditions is provided in Section 724. 100.

The Division and applicant determined that renewable resources have the potential to be damaged from subsidence. Therefore, the applicant is required to a subsidence control plan.

Subsidence Control Plan

The subsidence control plan is as follows:

A description of the coal mining, including the size, sequence, and timing for development of underground workings.

Section 522 of the MRP discusses coal recovery. In Phase I and Phase II the applicant states that room-and-pillar mining will be used. Plate 5-7 shows the general mine and the subsidence areas. The Division has enough information to estimate when and where subsidence should occur.

A map of the underground workings which describe the location and extent of areas in which planned-subsidence mining methods will be used. The map should show all areas where measures will be taken to prevent or minimize subsidence and subsidence related damage.

Plate 5-7 shows the areas where subsidence is expected to occur. That plate is adequate for the Divsion to determine where subsidence will occur.

A description of the physical conditions that affect subsidence and subsidence related damage. In Section 627 of the MRP the applicant states:

Overburden thickness above the coal seam ranges from approximately 600 feet in the southern portions of the permit area to more than 2400 feet in the northern portions

(Plate 6-4). Stratigraphically, the overburden consists of the Upper Blackhawk Formation, which contains the coal seams, the Castle Gate Sandstone, the Price River Formation, the North Horn Formation, and the Flagstaff Formation as described in Section 624.100 of this MRP.

The information in the MRP is adequate for the Division to evaluate the potential subsidence damage. The Division usually determines the area of subsidence based on the angle of draw. The angle of draw is determined from subsidence monitoring at mines with similar geology.

A description of subsidence monitoring.

The applicant has established a subsidence monitoring network. The network consists of several control points as shown on Plate 5-7 and Table 5-2. Additional monitoring stations

will be added as needed.

Subsidence monitoring will be conducted annually. The survey will be conducted on the ground until the area becomes too big for ground surveying to be feasible. The major concerns for subsidence damage are to stream and springs. The annual subsidence monitoring report will be sent to the Division.

The monitoring program is similar to those at other mines. The Division wants a program where an on the ground survey is conducted to find surface cracks and slides. The aerial surveys will be used to calculate the angle of draw.

A detailed description of the subsidence control measures that will be taken to prevent of minimize subsidence-related damage.

There are few structures in the permit areas that need special protection from subsidence. Raptor nests and other wildlife resources that could be damage by subsidence are shown on Plate 3-2 and listed in the confidential file. The applicant has not address how the raptor nests will be protected. Stipulation number 10 in Attachment A of the permit states:

Prior to mining, the application must identify specific impacts to raptor nests, and discuss avoidance of the nests when mining. If nest avoidance is not possible then the Division will consult with USFWS, DWR and the Division will develop a raptor protection and mitigation plan.

This issue is discussed under "Protection of Fish and wildlife and Related Environmental Values. "

Other information specified by the Division as necessary to demonstrate that the operation will be conducted in accordance with the performance standards for subsidence control.

The applicant was not asked by the Division for any other subsidence information.

Performance Standards For Subsidence Control

The subsidence control plan has been reviewed by the Division and found to meet the minimum performance standards.

Notification

Under R645-301-525.300 the applicant must notify all owners and occupants of surface properties and structures above the underground workings. The notification will include, at a

minimum an identification of specific areas in which mining will take place, dates that specific areas will be undermined, and the location where the applicant's subsidence control plan may be examined. In Section 525.300 of the MRP the applicant commits to notify all surface owners and occupants.

Findings:

The Applicant met the minimum requirements of this section.

SLIDES AND OTHER DAMAGE

Regulatory Reference: 30 CFR Sec. 817.99; R645-301-515.

Analysis:

In Section 515.100 of the MRP the applicant states:

If a slide occurs within the permit area that may have a potential adverse effect on the public, property, health, safety, or the environment, SCM will notify the Division by the fastest available means following discovery of the slide and will comply with any remedial measures required by the Division.

The applicant has met the minimum requirements of R645-301-515. 100 by including a commitment to report slides.

In Section 515.200 of the MRP the applicant states:

If any examination of inspection of an impoundment discloses that a potential hazard is associated with that impoundment that may have an adverse effect on the public, property, health, safety, or the environment, the person who examined the impoundment will promptly inform the Division of the finding and of the emergency procedures for public protection and remedial action. If adequate procedures cannot be formulated or implemented, the Division will be notified immediately.

The applicant has met the minimum requirements of R645-301-515.200 by including a commitment to notify the Division in case of an impoundment hazard.

Findings:

The applicant has met the minimum regulatory requirements of this section.

FISH AND WILDLIFE INFORMATION

Regulatory Reference: 30 CFR Sec. 784.21, 817.97; R645-301-322, -301-333, -301-342, -301-358.

Analysis:

The MRP meets R645-301-333, R645-301-342, or R645-301-358 because it provides information on TES and discussion concerning protection and enhancement during construction and reclamation phases. For example, the Permittee states that they limit impact to wildlife by minimizing areas of disturbance and enhance previously distrubed areas by reclaiming the sites. [05052005]

Protection and Enhancement Plan

Ungulates

For the main facility site, the Permittee provide a wildlife awareness and protection training program during its annual training curriculum for all employees and haulage contractors. Loading, unloading, and staging of materials, as well as all mining and supplier personnel and equipment will operate within disturbed area boundaries.

DWR requested limiting construction periods between December 1 and April 15 (dates are approximate depending on actual snow conditions).

Bats

The Permittee implemented a vegetation mitigation project in exchange for impacting local bat populations around 1997. The Permittee planted willows in the stream channel above the mine site with a success rate of about 75% as of 2001. The project is on going with the need to transplant additional willows at time of final reclamation. The MRP details this mitigation project (pp. 3-19 through 3-20).

For the Pace fan project, the Permittee commits to conduct a 2005 within the Pace fan project and adjacent areas (Vol. 1, Sec. 322, p. 3-19). The Division, in consultation with DWR, determined that the Permittee must 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.

Raptors

The Permittee will conduct annual over-flight raptor surveys to obtain baseline data prior to mining disturbances including subsidence of cliff habitat (Vol. 1, Sec. 322, pg. 3-13). The Permittee will also conduct follow up surveys within one year if nests were observed during the baseline surveys and if operations resulted in subsidence. The Permittee will conduct ground surveys for goshawks and northern saw-whet owls in forested areas with suitable habitat and areas planned for mining facilities.

The 2004 Northern saw-whet owl nesting box mitigation project entailed the Permittee, DWR, and Division putting up twenty-six nesting boxes designed to attract the Northern saw-whet owl and other small-medium sized cavity nesting birds. The Division requested the Permittee to mitigate for the owl because degas drilling occurred during the exclusionary period (March 31-August 31).

The MRP states that all power lines within disturbed areas will be raptor safe. The Permittee will following the publication "Power Line Contacts by Eagles and Other Large Birds".

Endangered and Threatened Species

No endangered or threatened plant or animal species are known within the area. As required by R645-301-358. 100, the applicant must promptly report to the Division any state or federally listed endangered or threatened species within the permit area of which they become aware. Seasonal or migrating bald eagles are expected and a wintering bald eagle would not need to be reported.

Colorado River Fish

Adverse effects of mining on water quantity to the Colorado River drainages do affect four Colorado River endangered fish species (Colorado pikeminnow, humpback chub, bonytail chub, and razorback sucker). The USFWS considers water depletion to the Colorado River drainage as a potential jeopardy to these endangered fish. Water users may be required to mitigate if the overall water consumption is greater than 100 acre-feet per year. [05052005]

Estimates of consumption in 2004 were from the following sources: culinary, ventilation, coal production coal moisture loss, sediment pond evaporation, and dust suppression with an estimated total of 102.53 acre-ft. The estimate for water discharge is 405.63 acre-ft. Estimated overall annual water budget, therefore, is a net gain of 303.1 acre-ft. [05052005]

For new amendments, the Permittee must resubmit water consumption calculations with the midterm application to provide actual (vs. estimated) consumption values. [05052005]

Bald and Golden Eagles

There are many raptor nests within the Dugout properties including golden eagles. There are no known bald eagle nests. The Permittee will conduct annual raptor surveys to obtain baseline data prior to mining disturbances including subsidence of cliff habitat (Vol. 1, Sec. 322, p. 3-13).

Raptor nests within the permit area are identified in the environmental resource section of this analysis. Every nest but one is in the area that would be subsided, and five of the seven are in the subsidence zone for the current permit term. Section 332 describes potential effects as displacement, injury or death of birds and nest destruction. The plan says that upon notification or suspicion of raptor nests in the permit boundary, the applicant will verify the existence of any nests, determine their conditions, and locate their locations in relation to recoverable resources. Information collected in this inventory will be discussed with various agency personnel, and the applicant and the agencies will determine methods of avoidance, explore alternative methods of protection or removal, and develop mitigation plans when needed. Consultation would begin nine months or the summer priod prior to the period of potential subsidence. These commitments satisfy condition 10 of the permit issued March 16, 1998.

Wetlands and Habitats of Unusually High Value for Fish and Wildlife

Robert Thompson, a Forest Service botanist, states that there are no known wetlands within the main facilities area. It is possible an extremely narrow band of wetland exists along the stream corridor, but the concern for disturbance (during the review process) was the stream and its associated riparian area rather than any possible wetland.

A culvert will contain Dugout Creek throughout the length of the disturbed area, and this will significantly affect wildlife within the area. Section 322.200 details a plan to mitigate for the loss of riparian habitat due to the culvert. The mitigation includes seeding some very steep road fills near the stream, planting willows in some sections of the stream, and possibly installing in-stream structures to promote channel stability. The seed mix includes two introduced species that would not normally be allowed, but they are rhizomatous species that are needed to stabilize the very steep slopes. One ton per acre of a hydromulch called Ecofiber was sprayed after the area was hydroseeded. There are a few willows along Dugout Creek in the mitigation area but not nearly as many as one would expect. This may be because they have been grazed or otherwise eliminated through people's actions rather than because of the ecology. Coyote willows are present in Soldier Canyon to the west.

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 noting that

subsidence in the SITLA lease area may impact individuals. Nevertheless, the Permittee also states that the subsidence plan provides measures that should repair subsidence-related material damage, including mollusk and salamander habitat. [05052005]

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

TOPSOIL AND SUBSOIL

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

Analysis:

Chapter 2, Soils, Sections 230 through 234, discusses the soil's operation plan for the proposed Dugout Canyon Mine. Relevant information includes soil salvage, stockpiling, and topsoil substitutes and supplements. The Analysis section discusses operational information as follows:

- Topsoil and Subsoil Removal
- Culvert Expansion Soil Removal
- Topsoil Substitutes and Supplements
- Topsoil Storage

Topsoil Removal and Storage

The MRP describes salvage of both topsoil and subsoils within Type TS soils in Dugout Canyon areas #2, 3, and 4. All A, B and C horizons will be salvaged from TS soils, which are deep rich Mollisols, with excellent quality subsoil. These B and C horizon soils will be salvaged, segregated and stockpiled as substitute topsoil.

The estimated volumes of stockpiled soils are presented in Table 2-2 and in Appendix 2-5 (Soil Removal from Within the Culvert Expansion Area) and Appendix 2-6 (Topsoil, Substitute Topsoil, and Storage Pile Calculations).. Topsoil and subsoils are salvaged from the northwest facilities area (area 2) will yield 1,653 CY; the coal storage (area 3) will yield 4,869 CY; the sediment pond, slope area areas between road and creek (areas 4, 6, 7) will yield 20,118 CY; the water tank area (area 8) overburden soils will yield 247 CY; and the Dugout Creek culvert area (area 5) will yield 1,568 CY. In total, 28,455 CY of soil will be salvaged and stockpiled.

Soils to be salvaged prior to construction are those labeled with TS on Plate 2-2. The A, B and C horizons will be salvaged. Undisturbed soils marked #96 will not be disturbed although they are within the disturbed boundary. These southwest facing, undisturbed soils are therefore considered a buffer zone. A non-biased, third party, professional soil scientist will be on-site during soil salvage to monitor and supervise soil salvage operations for the purpose of maximizing soil salvage volumes and quantities. Surface disturbance activities will only take place after topsoil removal.

Additional areas of TS soils were identified as either needing protection during operations or as requiring salvage if they are threatened by future activities at the mine, as described below:

The soils on the southwest facing slope where the north and east drainages of Dugout Creek unite.

The soils on the west facing slope in the area of the coal storage pile. A discussion of the salvage of these soils is located in Appendix 2-6.

In Pace Canyon, the soil survey indicates that variable soil depths (from 0 – 36 inches) are salvageable (Appendix 2-3). The soils map indicates that most of the proposed disturbed area is steep terrain that will not provide topsoil for salvage. Areas along either side of the existing road that have been either undisturbed or affected (but with no effect to soil pedology) will be the source of topsoil salvage. The MRP indicates in section R645-301-232.100 that soil recovery will be maximized and topsoil and subsoil will be salvaged and stored together. Consequently, the presence of a qualified person to direct the salvage is indicated. For the purposes of calculation, an average of 18 inches salvaged from 1.3 acres is assumed in Appendix 2-9. A salvage quantity of 3,100 cu yds was calculated for Pace Canyon. The topsoil will be sampled at the time of salvage for the parameters indicated in MRP Section R645-301-233.300. [04/21/05]

Culvert Expansion Soil Removal

Canyon Fuel Company has committed to salvage soils from steep slopes within the culvert expansion area along Dugout Creek provided that salvage operations do not jeopardize slope stability and safety of construction workers. A qualified soils scientist will decide which soils from steep slopes are suitable for salvage. The construction supervisor will decide which slopes are safe to remove soil from. By mutual agreement, the decision for soil salvage on what slopes will be made based on slope steepness, the potential for slope failure, and timing within the construction sequence. Timing is critical to help maximize safety and slope integrity during salvage operations by coordinating culvert installation and fill placement immediately after soil removal. The placed fills will stabilize the hillsides and will remain in place at final reclamation. After construction, an as-built map will illustrate which areas received salvaged and what volumes of soil were salvaged.

Installation of a culvert in Dugout Creek will result in the removal and storage of 1,568 CY of riparian soil. The soil removal volumes are based on the assumption and calculations provided in Appendix 2-5. Soils removed during culvert construction will be stored separately from other soils and are expressly designated for reclamation of the Dugout Creek, riparian area. Soils on the northwest facing slope of the stream on the opposite bank from the operations pad at the location of the sediment pond will not be salvaged due to their importance in stabilizing the steep stream bank. The idea of protecting the soils with geotextile fabric was discarded after it was determined that the stream bank would not be re-exposed during reclamation, since the channel will be moved westward to improve stability of the slope. Therefore this 300 foot length of streambank soils will be buried in the fill in order to stabilize the entire slope above. The Division concurs with this judgement.

Topsoil Substitutes and Supplements

The Facilities area (Area 1 on Plate 2-2). Soils from Area 1 will be utilized as substitute topsoil at final reclamation if they are not contaminated. Appendix 2-6 provides calculations showing that if 2 feet of material is recovered from this location, approximately 6.504 CY of additional substitute topsoil could be available after testing and approval for use. Any waste will be segregated from the soil material and material heavily contaminated with coal waste will not be used.

Culvert installation and pad construction will require importing fill. The PAP commits to demonstrate the suitability of the imported fill by determining if the fill is acid- and/or toxic-forming prior to placement. Acid and/or toxic-forming materials will not be used.

Topsoil Storage

As stated in the PAP, the topsoil stockpile will be located at the Soldier Canyon Mine topsoil storage area (Plate 2-3) with the Dugout stockpile marked and kept separate from the Soldier Canyon Mine stored soils. A contiguous containment berm separates the Dugout soil pile from the Soldier Canyon Mine piles. The containment berm is designed as a self contained Alternate Sedimentation Control Area (ASCA). Section 231.400 gives the construction, modification, use, and maintenance of the storage piles. The pile is designed to hold a maximum volume of 17,000 CY of soil. The total projected volume of soil salvage from Dugout, culvert expansion area, and topsoil borrow is 28,455 CY of soil. An expansion of the Soldier Canyon Mine topsoil storage area (described in Appendix 2-7) will handle this additional material.

At the time of permitting, the Soldier Canyon Mine soil stockpile was infested with Cheatgrass. Therefore, the Permittee committed to maintain, to the extent possible, the stockpile's interim vegetation in a noxious weed- and Cheatgrass-free state. Discussion has focused on controlling the Cheatgrass using both selective and non-selective herbicides in early

spring before dormancy breaks with other desirable plants, and by using pre-emergent herbicides in the fall to kill germinating Cheatgrass.

Soil will be removed from 1.3 acres of the 2.7-acre Pace Canyon site. The plan indicates that an average 12 inches will be salvaged from this 1.3 acres. However, the Division observed that there was a minimum of 18 inches available in this 1.3-acre area with subsoils available for salvage to an even greater depth. A greater depth of salvage is required for reclamation of the 2.7-acre site, since only a portion of the site will be supplying topsoil for the total site. At an average depth of 18 inches, the 1.3-acre topsoil retrieval area will supply 3,192 cu yds of soil. [04/21/2005]

Two small stockpiles will be located in Pace Canyon for reclamation of the fan portal (Appendix 2-9 and Plate PC5-2). These stockpiles will hold 640 and 566 cu yds. They will be constructed with 2h:1v side slopes (Appendix 2-9) and will be surrounded with a berm (Section 234.200). The Pace Canyon site will be fenced to protect the topsoil stockpiles from grazing and to protect the livestock herd in Pace Canyon Grazing Allotment No. 24085. [04/21/2005]

Topsoil at Pace Canyon will also be temporarily stockpiled above the portal and along the channel diversion area for immediate replacement above the portal collar after construction of the portal and channel diversion (Plate PC5-2 and MRP section 242.100.) The remainder of salvaged topsoil at Pace Canyon will be hauled to the Dugout/Soldier Canyon topsoil storage site. As built volumes will be reported. [04/21/2005]

The MRP states that stockpiled soil in jeopardy of being detrimentally affected in terms of soil quantity and quality by mine operations may be temporarily redistributed. Such action will only take place by prior approval of DO GM with appropriate amendment changes to the MRP.

Findings:

The information provided meets the regulatory requirements of this section.

VEGETATION

Regulatory Reference: R645-301-330, -301-331, -301-332.

Analysis:

The MRP meets R645-301-330, R645-301-331, and R645-301-332 because the Permittee will disturb the smallest area as possible for facilities, apply interim or contemporaneous reclamation when applicable, and mitigate for subsidence-related impacts. The Permittee will

stabilize disturbance by grading, seeding, and mulching (Vol. 1, Sec. 341). Section 341 provides the interim seed mixture. [05052005]

The plan includes an interim seed mixture in Section 341.200. No specific soil preparation, planting, or mulching methods are shown for interim revegetation areas, so it is assumed the same methods will be used as for final reclamation. The plan for final reclamation is discussed below.

The Permittee initiated a cheatgrass control program for the lower topsoil stockpiles at the Soldier Canyon Mine. While control has not been completely successful, it has reduced the amount of cheatgrass. The applicant will need to continue control efforts. The requirements for permit condition 5 of the March 16, 1998 permit has been met.

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 784.24, 817.150, 817.151; R645-301-521, -301-527, -301-534, -301-732.

Analysis:

R645-301-527. 100, requires the Applicant to classify each road in the permit area as either primary or ancillary. All roads in the disturbed area are classified as primary and will meet primary road standards.

There are several dirt roads, Jeep trail and wheel tracks in the permit area. The Applicant does not plan on using any of the dirt roads, Jeep trails and wheel tracks for mining and reclamation activities with using the roads for access to monitoring and data collection sites. The Applicant requested the dirt roads, Jeep trails and wheel tracks that are outside of the disturbed boundaries not be classified.

If the dirt roads, Jeep trails and wheel tracks are classified as ancillary roads then they must be reclaimed. The Applicant owns the land and wants to retain the roads for the post mining land use. If the dirt roads, Jeep trails and wheel tracks are classified as primary roads then the Applicant would have to bring those roads up to primary road standards. Bringing the dirt roads, Jeep trails and wheel tracks up to primary road standards would be expensive and provide negligible environmental protection.

Several mines in Utah have dirt roads, Jeep trails and wheel tracks that are used for

access to monitoring and data collection sites. The Division does not require those roads be classified if they are used only for monitoring and data collection activities.

The Division will not require the Applicant to classify the dirt roads, Jeep trails and wheel tracks that are located outside the disturbed area boundaries provided the roads are not used for mining and reclamation activities with the exception of access to monitoring and data collection sites. If the dirt roads, Jeep trails or wheel tracks are used for any mining or reclamation activities with the exception of access to monitoring and data collection site the Applicant must then classify the road.

Road Classification System

Cross sections and profiles of roads that will be used or maintained by SCM are provided in Figure 5-2. Information regarding road drainage structures is presented in Chapter 7.

The road, which will access the mine is a county road that extends from the Soldier Creek Road (Utah Highway 53) to the mine (a distance of approximately 7.5 miles). Carbon County is currently planning the upgrade of this road to handle the increased traffic which is anticipated as a result of mine operation. The County will construct the upgrade and charge SCM a toll for use of the road.

As currently anticipated, primary roads within the proposed surface facilities will have a 16-foot finished width. As indicated in Figure 5-2, the roads will consist of 2 to 4 inches of granular material, asphalt, or concrete on a compacted, in-place subgrade. The surface of the roads will generally be crowned in the middle and slope at angles of 1 % to 2% for drainage. The grade of the disturbed area primary roads will vary, but should not exceed 10%.

The remaining roads within the permit area that may be used by SCM are private roads that are owned and maintained by Canyon Fuel Company, LLC. These roads are private, unimproved dirt roads and will be used for access to the lease area surfaces for the collection of monitoring data (environmental and subsidence data) as well as other uses deemed appropriate by the landowner.

The Applicant stated that the cross sections for the roads are on Plate 2. They do not include plate 2 in the PAP. However, Figure 5-2 shows road cross sections. The road cross sections show the drainage ditches, road surface and embankments.

In Section 542.600 of the PAP the Applicant states:

All roads not to be retained for an approved postmining land use will be reclaimed immediately after they are no longer needed for mining and reclamation operations. Roads,

which will be retained through the disturbed area for access to private land within the permit area are noted on Plate 5-3. All remaining roads within the disturbed area will be reclaimed. All roads to be reclaimed will be graded and /or backfilled as indicated above. Topsoil will be applied to the regraded surfaces and the area will be revegetated as discussed in Chapter 2 and 3 respectively.

The road that provides surface access to the Pace Canyon area is on Bureau of Land Management surface. This road was relocated thirty to fifty feet to the SE for a length of approximately 550 feet in order to construct a pad large enough to accommodate the facilities associated with the Pace Canyon fan portal. This road will be relocated during the reclamation activities of the Pace Canyon fan. Thus, it will be retained for access to the Roan Cliffs, and serve as access for the approved post-mining land use in the area.

In Section 534 the Applicant states:"534. 100 Location, Design, Construction, Reconstruction, Use, Maintenance, and Reclamation

Control of Damage to Public or Private Property. All roads used by SCM have been or will be designed in accordance with applicable county and State standards. By designing according to these standards, damage to public or private property will be been minimized.

Road Surfacing.

The surface of the county road, which accesses the mine site will consist of asphalt (see Section 527.200). All ancillary roads will be either asphalt-surface, gravel surface, or unimproved dirt roads. No acid- or toxic-forming materials will be used in the road surfaces.

Plans and Drawings

The plans and drawings for the roads in the disturbed area are located in Section 527.200 and Chapter 7. Plate PC5-2, Surface Facilities shows the original and the proposed (re-located) location of the Pace Canyon road. Plate PC5-5 shows the location of the Pace Canyon road after the reclamation of the fan portal has been completed. FIGURE PC-1 (Appendix 5-10) depicts a cross-section for the 550-foot roadway length in Pace Canyon.

Slope Stability

The stability of the county road embankment has been evaluated where it passes adjacent to the sedimentation pond. Results of this evaluation are presented in Appendix 5-4. This analysis indicates that the access road embankment has a minimum safety factor of 4.2 under static unsaturated conditions and 2.1 under static saturated conditions. These values exceed the safety factor of 1.3 required by R645-301-534.130.

All other roads in the permit area exist on private land owned by Sage Point Coal Company (the parent company of SCM), or by the heirs of the Milton and Ardith Thayn Trust. The Applicant anticipates no stability problems for these roads.

Environmental Protection and Safety

The design and reconstruction of the main Mine facilities access road will be the responsibility of Carbon County. Safety and environmental protection were primary concerns during the design of other roads within the surface-facilities area. The grade, width, and surface materials used for the roads were selected to be appropriate for the planned duration and use of the roads.

Primary Roads

The only primary roads in the main Mine facilities area is the coal haul road in the disturbed area, and the 550 foot roadway length within the disturbed area of Pace Canyon.. Part of the haul road will be the county road that accesses the mine site. The design and reconstruction of this public road will be the responsibility of Carbon County. The road will be maintained by the County to meet its design standards throughout the life of the mining and reclamation activities. SCCC will assist the County to ensure that catastrophic events are repaired as soon as practical after the damage occurs.

As noted in Section 534.100, the embankment of the county road adjacent to the sedimentation pond will have a minimum static safety factor in excess of 1.3. Any portion of the road within the permit area that is not to be retained for use under an approved post-mining land use will be reclaimed immediately after it is no longer needed for mining and reclamation operations.

Road Alignment

Selection of the final alignment of the reconstructed access road will be the responsibility of Carbon County. The alignment will be located generally along the alignment of the existing dirt road.

The current road location had been in existence for many years and had not experienced major stability problems. Thus, the road will be located on the most stable available surface, giving consideration also to safety and environmental protection.

Road Surfacing

The county road, which accesses the mine site will be surfaced with a non-rutting asphalt concrete. This surface will be designed to account for the anticipated volume of traffic as well as the weight and speed of vehicles using the road.

Road Maintenance.

The access road will be maintained by Carbon County. The Applicant will maintain all roads in the permit area that are used for coal mining activities. The Permittee commits to maintain the Pace Canyon road above, below, and within the Pace Canyon facility.

Road Culverts.

The technical analysis for the road culverts is in the hydrology section of the TA.

Performance Standards

The Applicant has met all the engineering performance standards for primary roads regarding location, design, construction, use and maintenance of the roads. Those engineering stands include:

- Prevent or control damage to public or private property
- Use nonacid- and nontoxic-forming substances in road surfacing
- Maintain all roads to meet the performance standards of this part and any additional criteria specified by the Division. A road damaged by a catastrophic event, such as a flood or earthquake, shall be repaired as soon as is practicable after the damage has occurred.
- The construction or reconstruction of primary roads shall be certified in a report to the Division by a qualified registered professional engineer, or in any State which authorizes land surveyors to certify the construction or reconstruction of primary roads, a qualified registered professional land surveyor, with experience in the design and construction of roads. The report shall indicate that the primary road has been constructed or reconstructed as designed and in accordance with the approved plan;
- Each primary road embankment shall have a minimum static factor of 1.3. The Division may establish engineering design standards for primary roads through the State program approval process, in lieu of engineering tests, to establish compliance with the minimum static safety factor of 1.3 for all embankments;
- Primary roads shall be surfaced with material approved by the Division as being sufficiently durable for the anticipated volume of traffic and the weight and speed of vehicles using the road.

Primary Road Certification

Under R645-301-512.250 the Applicant is required to have a professional engineer certify the design and construction of primary roads. The stability analysis for the roads are based on the Phase I design. The Applicant states that the Phase I designs are similar to the Phase II design and that no further analysis is needed. The Division will review the construction reports to determine that a professional engineer certified that the slopes are stable.

Other Transportation Facilities

The Applicant described the conveyor systems that will be used to transport coal from the portals to the coal stockpiles.

Findings:

The Applicant has met the minimum regulatory requirements of this section.

SPOIL AND WASTE MATERIALS

Regulatory Reference: 30 CFR Sec. 701.5, 784.19, 784.25, 817.71, 817.72, 817.73, 817.74, 817.81, 817.83, 817.84, 817.87, 817.89; R645-100-200, -301-210, -301-211, -301-212, -301-412, -301-512, -301-513, -301-514, -301-521, -301-526, -301-528, -301-535, -301-536, -301-542, -301-553, -301-745, -301-746, -301-747.

Analysis:

Disposal Of Noncoal Mine Wastes

In Section 528.300 of the PAP the applicant states:

Non-coal (non-waste rock) waste generated in the permit area will be temporarily stored in a dumpster to be situated at a convenient location within the disturbed area. This dumpster will be located adjacent to the office/bath house shown on Plate 5-2. This waste will be disposed of periodically through Carbon County at a permitted landfill.

Liquid wastes such as oil and solvents will be contained and disposed of or recycled, in accordance with applicable State and Federal regulations, at facilities which are permitted to accept such wastes. Small quantities of such wastes (e.g. resulting from cleanup or small spills, etc.) May be contained onto absorbent pads prior to disposal. In all cases, disposal and/or recycling will be only at sites which are permitted by appropriate regulatory authorities to accept such waste.

No non-coal (non-waste rock) waste will be permanently disposed of within the permit area other than, potentially, some durable rock-type construction materials such as cinder block, which may be disposed of underground. Non-coal (non-waste rock) waste will be temporarily stored at the site prior to permanent off-site disposal either in a dumpster or in the temporary waste-rock storage area. Off-site disposal will be only at sites which are permitted by appropriate regulatory authorizes to accept such waste.

It is currently anticipated that no non-coal waste that is defined as hazardous under 40 CFR 261 will be generated at the mine. If such waste is generated in the future, it will be handled in accordance with the requirements of Subtitle C of the Resource Conservation and Recovery Act and any implementing regulations.

The applicant committed in Section 528.300 of the PAP to dispose of all non-coal waste in either in state approved landfill or in an on site disposal area. The applicant has committed to dispose of all non-coal waste in an approved manner.

Coal Mine Waste

The Division defines coal mine waste as coal processing waste and underground development waste. Coal processing waste means earth materials separated from the coal during cleaning, concentrating, or the processing or preparation. In Section 528.300 of the PAP the applicant states that SCM will not process their coal at the Dugout Canyon Mine beyond crushing. Thus, the applicant will generate no coal processing waste in the permit area.

The Division defines underground development waste as waste-rock mixtures of coal, shale, claystone, siltstone, limestone, or related materials that are excavated moved, and disposed of from underground workings in connection with underground coal mining and reclamation activities. In Section 528.200 of PAP the applicant states:

Underground development waste which is generated at the Dugout Canyon Mine will be disposed of either:

- At the approved waste-rock disposal facility at the SUFCO Mine; or
- At the approved waste-rock disposal facility at the Skyline Mine

Description of the waste-rock disposal facilities at the SUFCO Mine and the Skyline Mine are provided in their respective MRP's. A discussion of disposal of development waste in the underground workings of the Dugout Canyon Mine is provided in Section 536.500 of this MRP.

The Division approved the disposal of waste rock material generated at the Dugout Mine to be placed in the waste rock disposal facilities at both the Skyline and SUFCO mines.

The Applicant states in the MRP that underground development waste may be disposed of at the Banning Loadout. Although a revision application has been received, the Division has not yet approved the Banning Loadout site to accept material from the Dugout Mine.

Refuse Piles

In Section 513.400 of the PAP the applicant states:

"Waste rock generated from the Dugout Canyon Mine may be temporarily stored on the surface of the mine site at the location shown on Plate 5-2. This storage will be for a short period of time prior to ultimate disposal either underground or at the refuse disposal site (Refuse Pile Amendment Volume).

The Division will require the temporary storage site to meet the same performance standards as a permanent refuse pile.

Existing refuse piles at the Pace Canyon fan portal site will be removed to the Dugout refuse disposal site. There will be no temporary or permanent refuse storage in Pace Canyon.

Impounding Structures

In Section 533 of the PAP the applicant states:

There are two impoundments associated with the disturbed areas at the Dugout Canyon Mine. The largest of these is the Mine site sediment pond located in Dugout Canyon. A slope-stability analysis which was performed on this pond embankment is provided in Appendix 5-4. According to this analysis, the minimum safety factors for the sedimentation pond embankment are 4.2 under static unsaturated conditions, 2.1 under static saturated conditions, and 1.6 under seismic saturated conditions. All analyses were performed assuming that the pond was full to its maximum design depth. These safety factors exceed the minimum requirements of R645-301-533.100.

The second impoundment is a sediment trap located at the southern end of the Pace Canyon fan portal disturbance. Appendix 7-12 contains the P.E. certified design for the Pace Canyon sediment trap.

Foundation Considerations

Soils investigations have been conducted at the site of the proposed surface facilities. Results of these investigations are presented in Chapter 2 and Appendix 54 of this MRP. During these investigations, foundation conditions in the area of the proposed sedimentation

pond were evaluated. Based on these investigations, no conditions were encountered which suggested that the foundations upon which the pond would be constructed would be unstable. The slope-stability analyses presented in Appendix 5-4 indicate that the pond foundations will also be stable under operating conditions.

Prior to construction of the sedimentation pond, all vegetative matter and topsoil will be removed from the foundation area. Detailed cross sections of the sedimentation pond are presented on Plate 7-4 of this MRP.

Slope Protection

The outslopes and inslopes of the sedimentation pond will be revegetated following construction to minimize surface erosion and protect the embankments against sudden drawdown. The seed mix to be used for this revegetation effort is described in Section 34 1.200 of this MRP.

In the event of a storm, rapid drawdown in the sedimentation pond would be restricted to the vertical distance between the spillway and the peak water level, a distance of 0.20 foot (Plate 74). Draw down of this magnitude is not considered significant and, therefore, not of erosional concern.

During normal decant of the sedimentation pond, flow rates (and draw down) will be controlled. Hence, it is unlikely that this draw down will cause surface erosion of the embankment face.

Embankment Faces

Embankment inslopes and outslopes will be revegetated following construction of the sedimentation pond, as outlined in Section 533.300. Riprap will also be placed on the upstream face of the embankment near the discharge structure.

Highwalls

No highwalls will be located below the water lines of the sedimentation pond.

MSHA Criteria

Neither the Mine site sediment pond nor the sediment trap located in Pace Canyon meet the size criteria of 30 CFR 216(a).

Pond Operation and Maintenance Plans

The sedimentation pond has been designed in accordance with R645-301-740. Details of these designs, and the requirements for operation and maintenance of the pond, are presented in Chapter 7 of this MRP. Appendix 7-12 contains the P.E. certified design for the Pace Canyon sediment trap.

The Mine site sediment pond does not meet the criteria for being classified as an MS HA pond because the structure is less than 20 feet high, does not impound more than 20 acre-feet nor is the sediment pond located where failure would be expected to cause loss of life or serious property damage. Sediment ponds that do not meet the MSHA criteria have fewer stringent design and performance standards.

The designs for the sediment pond and sediment trap are in Appendices **7-8** and 7-12 of the MRP. See also Plate 7-4. All designs and drawings are certified by a registered professional engineer.

The report on the slope stability analysis is in Appendix **5-4.** The engineer that did the analysis concluded that the minimum safety factors for the sediment pond embankment are 4.2 under static unsaturated conditions, 2.1 under static saturated conditions and **1.6** under seismic saturated conditions.

Stability during rapid drawdown is discussed in Appendix **5-4** of the PAP. The analysis indicates that the upstream slope of the embankment will be stable and have a safety factor of **1.6.**

Only the upstream slope was evaluated for stability during rapid draw down. The applicant believes that when rapid draw down does occur failure will first occur on the upstream slope. The Division agrees with that belief and considered the rapid drawdown analysis adequate.

Burning And Burned Waste Utilization

In Section 528.300 of the PAP the applicant states:

If coal mine waste fires occur at the SUFCO and Skyline Mines, they will be controlled in the manner outlined in their respective permits.

Waste rock will only be temporarily stored at the surface of the Dugout Canyon Mine prior to ultimate disposal. If spontaneous combustion of this material does occur, the burning section will be removed from the pile using a backhoe or other appropriate means. The affected waste rock will then be spread so that the material can cool and mixed with soil to extinguish the fire. The extinguished material will then be returned to the waste pile.

The plan to handle burning waste rock is adequate. The plan is similar to those used by other mines and the Abandoned Mines Land Program.

Return of Coal Processing Waste to Abandoned Underground Workings

The Applicant does not propose to return coal processing waste underground.

Excess Spoil:

In Section 512.200 of the Pap the applicant states that they will generate no excess spoil from the permit area. The applicant has met the minimum regulatory requirements for handling excess spoil.

Findings:

The Applicant met the minimum requirements of this section..

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.

Analysis:

General

Underground mining and reclamation activities are planned to be conducted to minimize disturbance of the hydrologic balance within the permit and adjacent areas, to prevent material damage to the hydrologic balance outside the permit area, and to support approved postmining land uses in accordance with the terms and conditions of the approved permit and the performance standards of this part. The Division has not required additional preventive, remedial, or monitoring measures to assure that material damage to the hydrologic balance outside the permit area is prevented.

By defining terms, stating objectives, and identifying responsibilities, UDOGM Coal Regulatory Program Directive Tech-004 (Tech-004) is meant to clarify the Division's position on what constitutes an appropriate monitoring program and provides methodology for consistently amending these monitoring programs. Under Tech-004, amendments to monitoring programs will be approved on a site specific basis.

The monitoring plan at Dugout Canyon Mine conforms to the amended monitoring plan approved for the Soldier Canyon Mine, which is based on Tech-004. The amended Soldier Canyon

Mine monitoring plan was approved in accordance with the procedure in section 5E of Tech-004:

a. Canyon Fuel Company appears to be the owner of the surface in all areas where monitoring was stopped. Canyon Fuel Company also owns the water rights for the springs that have been removed from the monitoring plan. The only surface-water right involved that is not owned by the mine is upstream of the mine, beyond the area affected by subsidence, and the monitoring point on that reach of stream is to be replaced by one downstream, closer to the mine.
b. Historical quality data show that, except for some problem samples, a good cation anion balance exists with these data.
c. Data can be used in a regression analysis to demonstrate that conductivity correlates tothe specific water quality of that site, as measured by TDS.
d. The site is not critical to the ongoing PHC determination.
e. Monitoring is no longer necessary to achieve the purposes set forth in the approvedmonitoring plan.
f. Subsidence monitoring information indicates that further subsidence is not likely and that future mining will not occur in adjacent areas that could affect these water sources.

Sites above and below the disturbed areas and discharge points of both the Soldier Canyon (G5, G-6, and G-10) and Dugout Canyon Mine (DC-1, DC-2, and DC-3) are monitored quarterly for flow and operational field and laboratory parameters.

Ground-water monitoring.

Operational ground-water monitoring protocols are given on pages 7-52 through 7-56. Locations of wells and springs to be monitored are on Plate 7-1. Four springs are to be monitored for operational water quality and quantity: SC-14, SC-65, SC-100, and SP-20 (same as S-30). Water rights have not been filed on these springs. Operational ground-water quality parameters to be monitored at the Dugout Canyon Mine are listed in Table 74 of the MRP. They correspond with the operational parameters in Table 4 of Tech-004 except that total alkalinity and hardness are not included.

The springs will be monitored for 2 years for the parameters listed in Table 74, and then regular quarterly operational monitoring of the springs will be reduced to field parameters only: flow, pH, specific conductance, and temperature. This is one notable variation from the recommended schedule in Tech-004.

There are no ground water sites on the Pace Canyon fan portal area. The Permittee

commits that no water will be discharged prior to obtaining the necessary UPDES permit. The applicant has submitted a cover letter for the application to DEQ / DWQ for amending the in-place UPDES permit for the Dugout Canyon Mine (Appendix 7-6). The amending of the in-place permit will permit additional outfall(s) in Pace Canyon allowing Dugout Canyon to discharge to Pace Creek.

During the first "wet" year and first "dry" year following permit issuance, spring flows will be measured weekly between April 1 and August 31 as conditions permit, with the intent of preparing baseflow hydrographs from the data. Wet and dry years will be defined based on snow-pack measurements as of March 1 for the Price-San Rafael area, with a wet year being the first year after permit issuance when the snow pack water content is greater than 110% of normal and a dry year being the first year following permit issuance when the snow pack is less than 70 % of normal.

If the first 2 years of quarterly monitoring have not already included "wet" and "dry" years, then operational water-quality parameters for the springs will be determined semi-annually during the "wet" and "dry" years when they occur.

The permittee selected SC-14, SC-65, SC-100, and SP-20 for monitoring because "These springs are reasonably accessible and, based on the historical data, are representative of conditions within their respective formations (Page 7-54). However, there is actually little historic data for these springs, and it is necessary to rely on data from the Soldier Canyon Mine and surrounding springs to extrapolate baseline information. Springs SC-14, SC-65, SC-100, and SP-20 will be monitored quarterly, when accessible, for at least 2 years, and water samples during this period will be analyzed for the parameters listed in Table 7-4 (page 7-54).

There are flow data for SC-65 from July 1976, September and October 1995, August and October 1997, and June 1998. Water-quality data were determined for August 1997, and a few waterquality parameters were determined for July 1976. Flows were measured in 1995 at other Colton Formation springs: in September and October at SC-45, SC-46, SC-50, and SC-99, and in October 1995 only at SC-110 and SC-111, but water-quality parameters were not measured. Additional waterquality data for SC-65 are needed before mining disturbs this area, which will not be at least until such time as federal lease U-07064-027821 to the east is added to the permit area. This spring will bemonitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 7-4 (page 7-54).

SP-20 has data from 1976 to 1981 that includes both flow and quality determinations, but total iron and manganese are notably absent; total iron and manganese were included in water-quality data from September and October 1995 and August 1997 (S-30) and operational parameters were monitored in October 1997 (S-30) and June 1998. Nearby springs that also flow from the Flagstaff Formation, SP-15, SP-17, and SP-18, have data back to June 1976 that include some total iron and total manganese concentrations. Data are available to deduce water-quality conditions for the area around SP-20, but water-quality conditions specific to SP-

20 need to be determined. This spring will be monitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 7-4 (page 7-54).

For spring SC-14 there are flow data from September and October 1995 and June 1998, but there are no water-quality data. SC-14's flow is small but appears to be the largest from the North Horn Formation in the area. Nearby springs SC-15, SC-16, SC-16, and SC-17 that also issue from the North Horn Formation were dry when visited in 1995. SP-13, SP-16, SP-19, SC-87, and SC-102, other North Horn springs located within a few miles, were dry or had low flows or just seepage in 1995. There is basically no water-quality information for SC-14 or related springs. Additional waterquality data are needed before mining disturbs this area, which will not be until after the year 2001 according to the proposed mining sequence shown on Plate 5-7 of the MRP. This spring will be monitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 7-4 (page 7-54).

Spring SC-100 has flow data from September and October 1995, August and October 1997, and June 1998 but water-quality data for August 1997 only. Nearby springs SC-59, SC-82, SC-83, SC-84, SC-85, SC-104, SC-105, SC-114, and SC-115 (Flagstaff) and SC-101 (North Horn) have had low flows and no analyses for water quality. The USGS measured some water-quality parameters in nearby springs G-95, G-96, and G-97 in July 1980. Additional water-quality data are needed for SC-100 before mining disturbs this area, which will not be at least until such time as federal lease U-07064027821 to the east is added to the permit area. This spring will be monitored quarterly, when accessible, for at least 2 years, and water samples will be analyzed for the parameters listed in Table 74 (page 7-54).

Tech-004 recommends that for springs, water-quality samples be analyzed for baseline parameters every fifth year. Page 7-56 includes a commitment to collect one water sample at each spring sampling point during low flow period every fifth year, during the year preceding re-permitting, to be analyzed for baseline parameters.

Water depth in wells will be monitored quarterly. Wells GW-10-2, GW-11-2, and GW-24-1 (all completed in the Castlegate Sandstone) and springs SC-65 (Colton Formation), SP-20 (Flagstaff Formation), SC-14 (North Horn Formation), and SC-100 (Flagstaff Formation at contact with North Horn Formation) will be used to monitor ground water conditions in the proposed Dugout Canyon Mine permit area.

During Phase I construction in September 1998 ground water was discovered discharging from the old Gilson coal-seam workings on the east side of Dugout Canyon. This water had been seeping undetected through the alluvium and into the stream channel. Beginning in the fourth quarter of 1998, this water will be monitored at point MD-1, shown on Plate 7-1 (page 7-56).

The Permittee has committed to submit all ground water monitoring data for the

minesite by the end of the quarter following sampling. If analysis of any ground water sample indicates noncompliance with the permit condition, the Permittee will notify the appropriate regulatory agencies and take immediate appropriate action.

Surface Water Monitoring

Operational surface-water monitoring protocols are given on pages 7-57 through 7-59. Sites DC-1, DC-2, and DC-3, located above and below the disturbed areas and UPDES discharge points, are to be monitored quarterly for flow and operational field and laboratory parameters. Operational surface-water quality parameters to be monitored at the Dugout Canyon Mine are listed in Table 7-5 of the MRP. They correspond with the operational parameters in Table 3 of Tech-004 except that total alkalinity and hardness are not included.

In addition DC-2, DC-3, DC-4, and DC-5 are to be monitored weekly between April 1 and August 31 during the first "wet" year and first "dry" year following permit issuance. Flows will be measured with the intent of preparing baseflow hydrographs from the data, and samples will be collected during the high-flow and low-flow seasons at DC-4 and DC-5 to be analyzed for tritium and operational water-quality parameters.

For surface water, Tech-004 recommends one water-quality sample at low flow every fifth year, either during the year preceding re-permitting or at midterm review, to be analyzed for baseline parameters. In addition to the regular monitoring, the MRP contains a commitment to collect one water sample at each sampling point during low flow period every fifth year, during the year preceding re-permitting, to be analyzed for baseline parameters (p. 7-59).

Acid- and Toxic-Forming Materials and Underground Development Waste

Analyses presented in Chapter 6 and 7 of the MRP indicate that acid- and toxic - forming materials are not present within the permit area. Parameters defining acid- and toxic-forming materials will periodically be monitored as described in Chapter 6. In the event that acid- or toxic forming materials are identified, they will be disposed at the refuse disposal site as described in Chapter 5 and the Refuse Amendment Volume of the MRP.

Two coal mine waste piles remaining on the surface from the Snow Mine were sampled on April 1, 2005 for analysis as described in Section 513.400. This coal mine waste will be hauled to the Dugout Waste Rock site for final disposal. [04/21/2005]

Excavated material from shaft development will be used to develop the fan portal site pad, except that oxidized coal will be hauled to the waste rock site (Section 528.300) and for every 2000 cu yds hauled one sample will be taken for analysis as per section 536.200 of the Waste Rock Amendment Volume. [04/21/2005]

Waste rock will not be used during reclamation, and soil substitutes will be used only if their chemical and physical properties are determined to be adequate through appropriate analyses. [04/21/2005]

Transfer of Wells

Before final release of bond, exploration or monitoring wells will be sealed in a safe and environmentally sound manner. Ownership of wells will be transferred only with prior approval of the Division, and conditions of such a transfer will comply with State and local laws. Canyon Fuel Company will remain responsible for the management of transferred wells until bond release (p. 7-60).

Discharges Into An Underground Mine

In Section 513.600 of the PAP the applicant states that no discharges will occur from the surface to mine workings underground.

Gravity Discharges From Underground Mines

No gravity discharges will be made from an underground mine in the permit and adjacent areas (p. 760).

Water-Quality Standards And Effluent Limitations

Discharges of water from disturbed areas will be in compliance with all Utah and federal water quality laws and regulations and with effluent limitations for coal mining contained in 40 CFR Part 434 (p. 7-90).

Diversions: General

Dugout Creek and its eastern tributary will be routed under the entire disturbed area in a 60inch corrugated metal culvert. The culvert has been sized giving due consideration to the watershed runoff characteristics, including vegetation types, soil types, and the harvesting of timber above the mine site. DOGM calculations indicate the culvert is conservatively designed using minimum slopes resulting in a capacity 25.3 % greater than the design event. There is a hydraulic jump energy dissipator at the downstream end of the culvert which is designed to have a water exit velocity slightly less than the natural stream channel velocity. This should result in minimum erosion problems to the stream channel below the disturbed area.

Plate 7-5, and some of the other plates, showed a culvert at the extreme lower end of the disturbed area. Originally this culvert was shown as within the disturbed area, however, the

disturbed area boundary was redrawn to exclude the culvert. This is logical since this culvert has already been installed and is part of the county road constructed by Carbon County.

A site visit by the Division Hydrologist, Mike Suflita, showed no siginficant impacts should result from the configuration of the energy dissipator installed as part of the disturbed area construction, the culvert under the county road, and the side canyon entering Dugout Creek between them. A field report, with photos, detailing this situation is filed in Folder two of the MRP.

The Permittee has developed designs to implement several diversion structures (culverts and a berm) on the surface facilities to direct and control runoff. Plate PC5-2 identifies the culverts and berms. The designs for the diversion ditches are in Appendix 7-12.

The fan portal facilities will be constructed adjacent to Pace Creek. The main channel will not be obstructed or lined with a culvert. Three culverts, PCUC-1 PCUC-2 and PCUC-3, will direct undisturbed runoff around or under the fan portal pad. Culvert PCDC-1 will be used to direct decanted flows and overflows from the catch basin to the stream channel. Another culvert will direct Mine water (UPDES) flows to the creek. The Permittee has labeled the culverts on Plate PC7-5.

Plate PC7-5 shows a berm that will run the length of the disturbed area above the canyon road. It should prevent disturbed area runoff from running onto the road or leaving the disturbed area. A berm circles the topsoil pile and contains its runof. Any flow from fan portal area will be collected by the berm, then directed to catch basin. The Permittee submitted designs and calculations for the berm on March 30, 2005. Design calculations have been provided for the berm in Appendix 7-12.

Stream Buffer Zones

Stream buffer zones are designated and markers will be placed adjacent to Dugout Creek within the disturbed area noted on Plate 5-2A. Each buffer zone marker will be a design that can be easily seen and read, will be made of durable material, will conform to local regulations, and will be maintained until after the release of all bonds for the permit area. Page 5-21 further delineates stream buffer zone marker locations and intervisibility between signs.

Section 731.600 of the application indicates that mining activities will take place within the 100-foot buffer zone of Pace Creek. Plate PC5-5 depicts the buffer zone for Pace Creek. The buffer zone corresponds with the disturbed area boundary adjacent to the Creek. The boundary will be established and marked with stream buffer zone signs prior to the start of construction. The signs will be maintained until reclamation is complete

Sediment Control Measures

Measures to control sediment include the main sediment pond, containment berms, silt fences, and straw bales. The runoff and sediment control plan has been designed to ensure the operations within the disturbed area should not cause or contribute to degradation of water-quality or the stream channel quality.

Measures to control sediment include the main sedimentation trap, containment berms, silt fences, straw bales and gravel/riprap protection. The runoff and sediment control plan has been designed to ensure that the operations within the disturbed area should not cause or contribute to degradation of water-quality outside the disturbed area. Riprap calculations have been submitted along with a cross-section for PCUD-2 showing a filter and graded riprap to a depth of 1 foot. Plates PC5-2, PC7-4 and PC7-5 show the locations where riprap will be placed.

Plate 5-2 shows the location of three water bars on the dirt road bisecting the fan portal site. The water bars will divert water off the road. There will be a minimum amount of traffic on the road. It is used occasionally by ranchers and some mine personnel accessing the upper elevations for degasification well work. The low traffic frequency will result in minimal disturbance and less erosion of the road surface. One water bar will be placed above the site and will divert undisturbed runoff coming down the road into Pace Creek. Two other water bars will be placed at about 200' intervals below the upper water bar. The runoff generated on the road could be diverted to the silt fences.

Siltation Structures: General

The sediment pond is the main siltation structure proposed in the application. It is discussed below under sedimentation pond.

ASCA's are disturbed areas which cannot use retention time / settling as a means of sediment concentration reduction,(i.e., use of a pond or sediment trap is not possible). Other methods such as vegetation, silt fences or straw bales, berms, roughening, gravel or other accepted measures are used to control sediment pickup and transportation from small areas. ASCA's include outslopes of ditches and ponds, outcast slopes of roads and other small disturbed areas. The fan portal area has an outslope area below the road that does not drain to the catch basin. The permittee has committed to control runoff from this area with vegetation and silt fences / straw bales.

Siltation Structures: Sedimentation Ponds

Although the disturbed area has been made larger, the surface hydrology aspects of the area remain basically the same. That is, the sediment pond is at the lowest end of the site and the ditches and culverts are in the same locations. The disturbed drainage areas and

undisturbed drainage areas changed somewhat, generally becoming larger. The runoff curve numbers remained the same as previously approved.

The pond was designed using the appropriate 10-year, 24-hour design event. The primary spillway was designed using the appropriate 25 year, 6-hour event. Water exit velocity is below that of the natural stream flow. There is a separate emergency spillway which discharges into Dugout Creek with appropriate riprap protection. The emergency spillway was designed using the appropriate 25year, 6-hour event. The pond has a decant with valve control and the pond has adequate sediment storage and storm event volume. The applicant has committed to pond construction before mining begins.

Siltation Structures: Other Treatment Facilities

There are no other treatment facilities in the project.

Siltation Structures: Exemptions

ASCA's are disturbed areas which cannot use retention time / settling as a means of sediment concentration reduction,(i.e., use of a pond or sediment trap is not possible). Other methods such as vegetation, silt fences or straw bales, berms, roughening, gravel or other accepted measures are used to control sediment pickup and transportation from small areas. ASCA's include outslopes of ditches and ponds, outcast slopes of roads and other small disturbed areas.

ASCA areas are discussed on pages 7-69 to 7-71 and are shown on Plate 7-8. ASCA-1 is a small paved road surface below the sediment pond. ASCAs 2 and 3 are sections of the road above the main disturbed area which cannot drain to the sed pond. These are appropriately handled using silt fences and straw bales in the ditches and riprapped outlets for the culverts. ASCA-4 is a small area at the uppermost end of the road above the disturbed area and it is handled using gravel surfacing.

The fan portal area has an outslope area below the road that does not drain to the catch basin. The permittee has committed to control runoff from this area with vegetation and silt fences / straw bales.

Discharge Structures

There are discharge structures to accommodate flows from the sediment pond primary spillway and emergency spillway as well as discharges from the mine itself. All of these discharges have been designed using the appropriate design event, to have water velocities below that of the natural stream, and to be protected from erosion.

There is a large hydraulic jump energy disipator at the downstream end of the Dugout Creek culvert, which is designed to have a water exit velocity slightly less than the natural stream channel velocity. The energy dissipator is over 56 feet long and nine feet wide with two- to three-foot thick rock lining. This should result in minimum erosion problems to the stream channel below the disturbed area.

Culvert PCDC-1 will convey runoff from the sediment trap to Pace Creek. This culvert is the sediment trap spillway.

Impoundments

- In Section 533.600 of the PAP the applicant states that the sediment pond does not meet the size criteria of 30 CFR 216(a).
- Richard White a registered professional engineer certified the designs for the sediment pond.
- The embankment stability study for the sediment pond is in Appendix 54. The cross section in Appendix 5-4 do not correspond to the cross sections in Plate 5-3. The pond elevation in Figure 1 of Appendix 54 do not correspond to the elevation in Plate 5-2. The applicant failed to provide the Division with slope stability analysis that shows the sediment pond will be stable.

In Section 533.200 of the PAP the applicant states:

The applicant has conducted soil investigations at the site of the proposed surface facilities. Results of these investigations are presented in Chapter 2 and Appendix 5-4 of this MRP. During these investigations, the applicant evaluated foundation conditions in the proposed sedimentation pond. Based on these investigations, the applicant encountered no conditions which suggested that the pond's foundations would be unstable. The slope-stability analysis presented in Appendix 5-4 shows that the pond foundations will also be stable under operating conditions.

Prior to construction of the sedimentation pond, all vegetative matter and topsoil will be removed from the foundation area. Detailed cross sections of the sedimentation pond are presented on Plate 74 of this MRP.

In Section 533.300 of the PAP the applicant states:

The outslopes and inslopes of the sedimentation pond will be revegetated following construction to minimize surface erosion and protect the embankments against sudden draw down.

The analysis presented in Appendix 5-4 indicates that the upstream slope of the embankment will be stable under conditions of rapid draw down (minimum safety factorof 2.0)

In Section 533.500 of the PAP the applicant states that no highwalls are below the water linesof the sediment pond. The Division agreed with that statement and concluded that the applicant has met the minimum requirements of R645-301- 533.500.

In Section 514.300 of the PAP the applicant states that:

Regular inspections will be made during construction of the sedimentation pond as well as upon completion of construction. These inspections will be made by or under the direction of a registered professional engineer experienced in the construction of similar earth and water structures.

Annual inspections of the sedimentation pond will continue until removal of the structure or release of the performance bond. A certified report of inspection will be prepared by a qualified registered professional engineer and submitted to the Division within two weeks after each inspection. The report will discuss any appearances of instability, structural weakness or other hazardous conditions, depth and elevation of any impounded waters, existing storage capacity, and existing or required monitoring procedures and instrumentation, and any other aspects of the structure affecting stability. A copy of this report will also be maintained at the mine site.

No impoundments are anticipated within the permit area that are subject to 30 CFR 77.216.

The applicant has committed to meet the requirements of R645-301-514.311 to 8645-301514.313. Inspections will be done during the critical phases of construction and copies of the reports will be available on site. A qualified registered professional engineer will inspect the pond annually.

Casing and sealing of wells.

Procedures for casing and sealing, capping, backfilling or otherwise properly managing drilled holes, exploration holes and boreholes, and wells are discussed on pages 5-68, 6-18, 7-69, 7-90, and 791.

Hydrologic Balance Protection.

Information provided by the Permittee indicates no water will be consumed for this operation. Mine water discharge has been addressed in the MRP for the Dugout Mine.

The Permittee has addressed this section by submitting plans to route and control undisturbed and disturbed runoff over the fan portal site.

Several places in the MRP reference a mine water discharge to Dugout Creek. These include pages 7-49, 7-52, 7-69, and the UPDES Permit Appendix. Commitment is made to provide erosion protection if the discharge is outside of a culvert. In order to meet the coal regulatory program monitoring requirements, the applicant will have to define where and how the samples will be taken. The applicant is cautioned that this needs to take into account the MSHA and related safety issues attendant to the sampling, for example, inside culverts if that's where it occurs.

There are a minimum of four silt fences to be placed across Dugout Creek before installation of the culvert is begun. As described on page 5-44, these are to remain in place until after all initial construction is completed. The same protection is provided at reclamation.

Several places in the MRP reference the use of straw bales as shown in Figure 54 for sediment control. The method the operator will use to orient and place the straw bales will conform to the more current technology.

Plate 7-5 shows the appropriate riprap protection for the outlets of Culverts DC-8 and DC-9.

Appendix 7-9, page 20 shows most of the ditches in the disturbed area are concrete lined which is optimal for erosion protection. Some less-steep sections do not need concrete and are riprap lined.

The Probable Hydrologic Consequences were evaluated, on March 6, 1998. The B LM sent a letter to the Utah Division of Water Rights identifying several concerns with the Dugout Mine stream alteration permit. While most of the concerns were administrative in nature, one of the issues raised was the possible interruption of groundwater recharge due to culverting the stream over a 1970-foot length. This has been determined not to be significant problem for the following reasons.

Examination of the Geologic Map of Pine Canyon Quadrangle shows the formation in the mine disturbed area is the Blackhawk Fm., which is made up of sandstone, siltstone, and shale. Itis underlain by the Mancos Shale. All of these formations have an average low rate of transmissivities and specific conductivity.

There are two faults on the entire quadrangle. One is 300 feet long and the result of cliff face slumping while the other is located two miles northeast of the disturbed area on the outer edge of the Dugout Creek drainage. There are no faults in the disturbed area where the culvert will be placed. There are two vertical joints in the disturbed area, but since there is no

displacement, they are not believed to contribute to water infiltration.

The dip of the strata is 6 degrees to the north, while the stream flow is to the southwest. This is consistent with the Castle Gate Potentiometric Surface as shown on Plate 7-3 of the mine plan, which shows the gradient of the surface sloping to the north-northwest. The Castle Gate formation is above the Blackhawk. There are no known regional aquifers in the area.

There is alluvium in the stream channel at the mine site, it is thin and not shown on the geologic map. Quaternary alluvium and pediment gravels are noticeable at 1500 feet downstream from the disturbed area. The Dugout Creek drainage areaabove the confluence with Grassy Trail Creek (near Utah Highway 6) is over 43 square miles or 27,520 acres, as compared to the mine disturbed area of 10.4 acres. Similarly, the culvertwill occupy 1,970 feet of the over 9.5 miles, or 50,160 feet, of stream channel between the mine and Grassy Trail Creek.

Water will not be lost as it passes through the culvert. The water will be returned to the natural stream channel at the outlet where it will continue to recharge the groundwater in the area. There is no evidence to suggest that the reach of stream occupied by the culvert is of special significance to such recharge. Interestingly, other studies, such as Wadell, and Price and Plantz show considerable variation in streams gaining and losing flow with water stage as they cross the Blackhawk formation. Similar variation is found with the base flows contributed to the stream by springs above the mine site.

USGS has monitored a site at the lower end of the disturbed area for several years. Unfortunately, no monitoring was done above the site to define whether the disturbed area is a gaining or losing section. From the initial submission, the Mining and Reclamation Plan has in it, plans to monitor above and below the site to determine a gain-loss hydrograph. One set of observations was made on August 27, 1997 (the driest time of year) which showed the flows above and below the disturbed area to be exactly the same.

The overall view is that the culverted reach of stream is of very minor consequence when compared to the recharge mechanism for any springs that may issue from the Mancos shale downstream of the mine disturbed area. Similarly, the streamflow in Dugout Creek is not expected to suffer any significant impacts. The Permittee has provided calculations and maps to establish design flows for the fan portal site. Plate PC7-6 identifies the undisturbed watersheds (PCWS-1, PCWS-2, PCWS-3and PCWS-4) where runoff will accumulate and flow through culverts (PCUC-1, PCUC-2 and PCUC3) shown on Plate PC7-5.

Ponds, Impoundments, Banks, Dams, and Embankments

- Plate 7-4 show the sediment pond design. The plan was certified by Richard White, a registered professional engineer.
- The applicant gave the Division certified maps, and cross section of the sediment pond. Plate 7-4 shows detailed information about the sediment pond.
- Plate 5-7 shows the areas where the applicant anticipate subsidence. On that plate the sediment pond is outside the area of potential subsidence.

Findings:

Information provided in the application is considered adequate to meet the requirements of this section of the regulations.

SUPPORT FACILITIES AND UTILITY INSTALLATIONS

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

Analysis:

Support Facilities

The applicant committed to construct, operate, maintain and reclaim all support facilities as required by the SMCRA and the Utah coal program.

Water Pollution Control Facilities

The applicant committed to construct, operate maintain and reclaim all water pollution control facilities as required by SMCRA and the Utah coal program.

Findings:

The applicant met the minimum requirements of R645-301-526 with regard to support facilities.

SIGNS AND MARKERS

Regulatory Reference: 30 CFR Sec. 817.11; R645-301-521.

Analysis:

Mine and Permit Identification Signs

A mine and permit identification sign will be displayed at the point where the county road ends and the private road forks into the surface-facilities area. This sign will be a design that can be easily seen and read, will be made of durable material, will conform to local regulations, and will be maintained until after the release of all bonds for the permit area. The sign will contain the following information:

- Mine name,
- Company name,
- Company address and telephone number,
- MSHA identification number, and
- Permanent program permit identification number as obtained from the Division.

The applicant committed to place the mine and permit identification signs at all entrances that are accessible from a public road.

Perimeter Markers

The perimeter of all areas affected by surface operations or facilities will be clearly marked before beginning mining activities. The markers will be a design that can be easily seen and read, will be made of durable material, will conform to local regulations, and will be maintained until after the release of all bonds for the permit area. Figure 5-2

Buffer Zone Markers

Stream buffer zone markers will be placed adjacent to Dugout Creek within the disturbed area noted on Plate 5-2. The buffer zones will be located at eh upstream and downstream ends of the Dugout culverts. Each buffer zone marker will be a design that can be easily seen and read, will be made of durable material, will conform to local regulations, and will be maintained until after the release of all bonds for the permit area.

Topsoil Markers

Markers will be placed on all topsoil stockpiles. These markers will be a design that can be easily seen and read, will be made of durable material, will conform to local regulations, and will be maintained until after the release of all bonds for the permit area.

Findings:

The applicant has met the minimum regulatory requirements.

USE OF EXPLOSIVES

Regulatory Reference: 30 CFR Sec. 817.61, 817.62, 817.64, 817.66, 817.67, 817.68; R645-301-524.

Analysis:

General Requirements

In Section 524 of the MRP the applicant states:

Mining and reclamation activities at the Dugout Canyon Mine may require the use of blasting or explosives on the surface during construction of the surface facilities. SMC will comply with all local, State, and Federal laws in the use of explosives during construction of the site and at any other times when blasting is required at the Dugout Canyon Mine. A certified blaster will direct all blasting operations with the help of at least one other person. SCM will ensure that all appropriate contractors working on any project at the site are made aware of proper blasting procedures. All blasting records will be kept on file at the mine for the required period of time.

All explosives containers used at the mine will be constructed to meet or exceed the requirements of the Mine Safety and Health Administration. The surface storage containers (one for caps and one for powder) will be place in a location that will ensurethe protection of the environment and personnel (see Plate 5-2). The containers, which will rest on skids, will be constructed of 1/4 to '/z inch steel plate with a lining of '/z inch plywood. Each storage container will be secured with a five tumbler padlock and will contain two vents measuring approximately 3 inches by 3 inches.

A small metal utility trailer will be used for transportation of explosives underground. This trailer will be lined with plywood, with separate compartments for caps and powder. No metal parts will be exposed to the caps or powder. All underground blasting activities at the mine will be conducted under the direction of a MSHA certified blaster.

General Requirements

The permittee indicates in Chapter 5, section 524, Blasting and Explosives, page 5-28 that it may be necessary to use explosives during the construction phase of the Pace Canyon facilities. An airshaft approximately seventy feet in depth and twenty feet in diameter was developed to connect the underground mine workings with the ventilation fan ducting located on the surface. This was developed using explosives.

Page 5-28, Blasting and Explosives of the application indicate that the mining and reclamation plan contains two blasting plans. These are located in Appendixes 5-8 and 5-9 of the MRP. Neither of the plans is for airshaft development.

R645-301-524 indicates that "for the purposes of underground coal mining activities, R645-301-524.100 through 524.700 apply to surface blasting activities incident to underground coal mining, including, but not limited to, initial rounds of slopes and shafts." The Pace Canyon Air Shaft will be developed in native sandstone of the Blackhawk formation. The total depth of the shaft will be approximately seventy feet; the hole will be developed by drilling and blasting. The top twelve feet of material to be removed (initial rounds) is under the jurisdiction of the Division, specifically R645-301-524.

The Permittees anticipated blast design for the Pace Canyon fan shaft development is located in Appendix 5-9.

Findings:

The Applicant met the minimum 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:

Affected Area Maps

The applicant has met the requirements of R645-301-521.141 by giving the Division Plate 5-7 that clearly shows the boundaries of all areas proposed to be affected over the estimated total life of the coal mining and reclamation operations.

In Section 523 of the PAP the applicant states that mining will begin in 1998. The dates on Plate 5-7 show that the applicant plans to mine from 1998 till 2020.

Before permitting the life-of-mine affected area the applicant wants to learn more about the mining conditions in the permit area. If mining conditions are favorable, the applicant will apply for expanding the permit boundary.

The Permittee has supplied several maps that show the disturbed area boundary of the proposed fan portal site

.

Mining Facilities Maps

Plate 5-2 shows the location of the proposed surface facilities. The Division considers this map adequate for describing the proposed surface structures. Plate PC5-2 shows the location of the proposed surface facilities in Pace Canyon.

Mine Workings Maps

The maps that show the mine proposed mine workings are considered adequate.

Monitoring and Sampling Location Maps

Locations and approximate elevations of bore holes are shown on Plate 6-1. Collar elevations, some estimated from topographic maps, and elevations of cored sections are given in Appendix 6-1.

Elevations and locations of monitoring stations used to gather operational water quality and quantity data are on Plate 7-1.

There are no permanent wildlife monitoring sites. Habitat enhancement, the riparian area along Dugout Creek, is shown on reclamation maps.

No map of air quality monitoring sites has been required by UDOGM.

Certification Requirements

Cross sections, maps, and plans have been prepared by, or under the direction of, and certified by a qualified, registered, professional engineer.

Findings:

The information submitted by the Permittee meets the minimum requirements of the regulations.

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

There are discussions throughout the MRP on ripping, gouging, incorporating hay during gouging, or mulching. Areas recommended for fertilizer application will receive fertilizer by cyclone spreader, hydroseeder, or other equipment. The reclamation plan does not include irrigation. The Division does not anticipate the necessity to irrigate as long as the Permittee uses water-harvesting methods, such as gouging. [05052005]

The applicant did not have any general comments about the engineering requirements in the reclamation section of the TA. All engineering comments about the reclamation plan were given in other sections of the TA. All engineering topics of the reclamation plan were addressed by the applicant.

During reclamation of the Pace Canyon fan portal site two drainages will be affected. The access road which traverses the disturbed area will cross both of these. The Permittee will place culverts in the road during mining operations, but remove them at reclamation, since they are considered a temporary structure. The channels will be reconstructed so that a swale will provide access and direct flow through the channel. Designs and cross-sections are shown in Appendix 7-12.

Findings:

The applicant has met the minimum regulatory requirements of this section.

POSTMINING LAND USES

Regulatory Reference: 30 CFR Sec. 784.15, 784.200, 785.16, 817.133; R645-301-412, -301-413, -301-414, -302-270, -302-271, -302-272, -302-273, -302-274, -302-275.

Analysis:

The postmining land use will be livestock grazing and wildlife habitat. The plan says final reclamation activities, such as grading and seeding, will be completed in a manner to provide lands able to support the post lining land use. Slopes in Pace Canyon will be returned to 2h:1v with small sections of slopes as steep as 1.6h:1 (Section 553.100). Plates 5-3 and 5-4 show numerous cross sections where slopes are steeper than 50% in Dugout Canyon. Many of the slopes are considered too steep for livestock grazing. In developing a grazing management plan for the Randolph unit, the Bureau of Land Management produced suitability tables based on slope percent and slope length. They found any slopes steeper than 50 % (2h: lv) were unsuitable for grazing. Plates 5-3 and 54 show numerous cross sections where slopes are steeper than 50 %. The applicant justifies the slope lengths and steepness by saying they are similar to the surrounding area. The Division recognizes the premining area has steep slopes; however, given the land use and the unstable condition of the area until vegetation establishment, steep slopes should be confined to upland areas and should not be in the riparian zone (riparian zone as defined in Plate 3-lA and subsequent Division field measurements).

Much of the disturbed area was previously mined and not reclaimed to the current standards.

Using current definitions, previous mining activities can be classified as having disturbed or just affected the land. Exploration activities occurred on the site in the 1980's and then again in the 1990's. No topsoil was saved in initial development. However, adequate substitute material should be available to make up the difference as growth medium.

Roads exist (prior to current mining) through the permit and disturbed areas. These roads will remain for the postmining land use. The plan says the Dugout Canyon road has a width of 16 to 25 feet within the disturbed area. The reclaimed road will also have a width of about 16 feet. The Pace Canyon road will be returned to its original location and have a width of 15 feet

The Bureau of Land Management,State of Utah and the Thayn Trust own lands in the disturbed areas. Appendix 4-2 contains letters from the State and the BLM concurring with the postmining land use and the Surface Agreement with the Thayn Trust. [04/21/05]

Findings:

Information provided in the proposal is considered adequate to meet the requirements of this section of the regulations.

PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES

Regulatory Reference: 30 CFR Sec. 817.97; R645-301-333, -301-342, -301-358.

Analysis:

The MRP meets R645-301-342 and R645-301-358 because the Permittee provides adequate enhancement and protection measures for fish, wildlife, and habitat during the reclamation or postmine phases. The Permittee will adhere to the regulations aimed to protect TES, eagles, and raptors from mining impacts (in reference to R645-301-358). [05052005]

Findings:

The Permittee has supplied information to meet the minimum requirements for the Protection of Fish, Wildlife and Related Environmental Values section of the regulations.

APPROXIMATE ORIGINAL CONTOUR RESTORATION

Regulatory Reference: 30 CFR Sec. 784.15, 785.16, 817.102, 817.107, 817.133; R645-301-234, -301-412, -301-413, -301-512, -301-531, -301-533, -301-553, -301-536, -301-542, -301-731, -301-732, -301-733, -301-764.

Analysis:

The site was disturbed before the passage of SMCRA. There are no detailed topographic maps of the pre-disturbed site. The applicant will not try to restore the site to the pre-mining topography. Instead the applicant plans the reclaimed site so it will blend into the surrounding area. The Division has determined that the topography of the reclaimed site will be similar to the surrounding area. Therefore, the reclamation plan meets the approximate original contour requirements of Section 8645301-531, R645-301-533, R645-301-536 and R645-301-542.

The fan portal area is relatively small at 2.7 acres. At mine closure the fan portal area will be reclaimed back to approximate original contour. Channels will be recontoured and protected from erosion. Plate PC5-5 identifies the configuration of channel PCRD-1. Plate PC7-5A shows the different areas that will be stabilized via the following methods; gouging / reseeding, mulching, and ripraping. The Permittee has provided riprap calculations for the reclaimed channel PCRW5-2. Plates PC5-2, PC7-4 and PC7-5 show the locations where riprap will be placed.

Findings:

The Permittee has supplied sufficient information to met the minimum regulatory requirements of the regulations

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The engineering requirements for the backfilling and grading requirements of the reclamation plan are stated in R645-301-537, R645-301-552 and R645-301-553.

- R645-30 1-537 deals with regraded slopes that need special Division approval for alternative specification of if steep cut slopes are to be retained.

In Section 537 of the MRP the states:

No mining or reclamation activities will be conducted in the permit area that require approval of the Division for alternative specifications of for steep cut slopes due to the inability of SCM to meet the regulatory requirement of R645-537. 100.

R645-301-537.100 deals with steep cut slopes. Usually retained steep cut slopes are associated with road cuts. All roads in the disturbed area will either be retained or be fully reclaimed. The designs for all retained roads have been certified by a professional engineer to meet the performance standards. The Division has determined that the designs for the retained roads are adequate. No cut slopes will be associated with the reclaimed roads. The applicant did not request for that alternative specifications be used for steep cut slopes. Therefore, the Division has not granted any variances from standard backfilling and grading requirements due to the retention of steep cut slopes. The applicant has met the minimum requirements of this section.

R645-301-537.200 applies to settled and revegetated fill. Under certain condition settled and revegetated fills do not have to be regraded during reclamation to achieve AOC. The applicant states that they will grade all settled and revegetated fills at the site. The applicant has not applied for a waiver from the AOC requirements based on the settled and revegetated fills exemption. Therefore, the Division has not granted any variances from the standard backfilling and grading requirements due to settled and revegetated fill. The applicant

has met the minimum requirements of R645-301-537.200.

- Section 552 deals with small depression and permanent impoundments.

R645-301-552 deals with permanent features such as small depression and permanent impoundments. The applicant will leave small depression to retain moisture, minimize erosion, create and enhance wildlife habitat, or assist revegetation. No permanent impoundments will be left after reclamation. The Division encourages the applicant to leave small depression on the regrade slopes to aid in revegetation and slope stability. The applicant has met the minimum requirements of 8645-301552.

- In Section 553 of the MRP the applicant states that the backfilling and grading plan are presented in Section 542.200.

In Section 542.200 of the MRP the applicant states:

The Dugout Canyon regrading plan was designed to meet the objectives of balancing cut and fill quantities, maintaining a geotechnically stable base. The primary features of this plan are:

- Removal of the pad upon which surface activities will be constructed at the mine, thereby creating a slope, which will adequately drain while minimizing long-term erosion concerns
- Backfilling to remove highwalls within the objectives noted above (cut and fill balance, site stability, and erosion control)
- Construction of stable channels across regraded areas
- Placement of topsoil
- Revegetation and mulching of the topsoiled site
- Removal of the sedimentation pond (together with accompanying regrading, topsoil, revegetation, and mulching of the sedimentation pond area) and implementation of interim sediment-control measures

Plates 5-5 and 5-6 show the reclaimed surface and cross sections in Dugout Canyon.. The plates show that the pad area will be removed. The adequacy of the slopes to control erosion will be discussed in the hydrology section of the backfilling and grading plan.

Preexisting highwalls exist at the site. In Section 553. 100 the MRP the applicant states that the backfilling and grading plans have been designed to eliminate highwalls at the site. In Section 553.500 of the MRP the applicant restates his commitment to reclaim all preexisting highwalls. In Section 553.600 the applicant states that the reclamation plan has been designed to eliminate all preexisting highwalls.

Chapter 5, section 553.100 Disturbed Area Backfilling and Grading, page 5-75, paragraph five discusses the general backfilling and grading criteria that will be implemented in the reclamation of the Pace Canyon fan portal area. "In Pace Canyon reclaimed slopes will be at a 2H: 1V slope or less over most of the site. However, there will be some small areas where the slope may be up to 1.6H: 1V. This will only occur in areas where the reclaimed surface ties into an undisturbed area with a slope greater than 2H: 1V."

In Section 553.600 the applicant states that if during reclamation field conditions show that all available materials are not sufficient to eliminate the existing highwalls without exceeding the performance criteria outlined in the MRP small section of highwalls may be retained. The applicant states that before any highwall retention the Division approval will be obtained. The Division realizes that field conditions may require the applicant to modify the approved reclamation plan. Should the applicant request to leave part of the preexisting highwalls during reclamation the Division will evaluate that request. The applicant met the minimum requirements of R645-301-553.120

The channel stability will be discussed in the hydrologic section of the backfilling and grading plan.

The Division reviewed the slope stability analysis in Appendix 5-4. The results of the applicant's slope stability analysis show that reclaimed slopes as steep as 1: 1.5 is stable under all likely circumstances. The Division conducted a slope stability analysis based on the applicant's data and assumptions. The results of the Division's stability analysis were consistent with the applicant's analysis.

Findings:

The Applicant met the minimum requirements of this section.

MINE OPENINGS

Regulatory Reference: 30 CFR Sec. 817.13, 817.14, 817.15; R645-301-513, -301-529, -301-551, -301-631, -301-748, -301-765, -301-748.

Analysis:

A detailed description plan for sealing underground openings is given in Section 542.700 of the MRP. In Section 542.700 the applicant states:

All mine openings will be sealed at least 25 feet inside the mine opening. Prior to installation of the seal, all loose material will be removed from the roof, floor, and rib of the mine within 3 feet of the seal area. The seal will then be constructed using solid concrete

blocks (average minimum compressive strength of 1,800 psi) with nominal dimensions of 6 inches high, 8 inches wide, and 16 inches long. Mortar will consist of one part cement, three parts sand, and no more than 7 gallons of water per sack of cement.

The two openings in Pace Canyon will be sealed and backfilled according to Chapter 5, page 5-49. "Material such as subsoil and rock generated during construction of the shaft and portal at the Pace Canyon Fan Portal site will be used to construct the site. This material will be used to backfill the portal and shaft during reclamation."

The seal will be recessed at least 16 inches deep into each rib and 12 inches deep into the floor. No recess will be made into the roof. In the bottom course, each block will be laid with its long axis parallel to the rib. The long axis in succeedingly higher courses will be perpendicular to the long axis of the blocks in the preceding course. An interlaced pilaster will be constructed in the center.

The seals will have a thickness of approximately 16 inches. Following seal construction, the entries will be backfilled from the seal to the outside surface with soil that is sloped at the surface to match the final slope at the entry. The soil will then be raked and revegetated with the approved seed mixture.

Alternatively, a cast-in-place MS HA approved, seals will be installed with a minimum thickness of 3 feet and a minimum compressive strength of 200 psi.

Under R645-301-551 the applicant is required to seal and backfill all mine openings. The seals and backfilling requirements must be consistent with MSHA, 30 CFR 75.1771. The backfilling and seal plan meets those requirements.

Findings:

The applicant met the minimum regulatory requirements of this section.

TOPSOIL AND SUBSOIL

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

Analysis:

Chapter 2, Soils, Sections 240 through 250, discusses the soil's reclamation plan for the proposed Dugout Canyon Mine. Appendix 2-6 provides information on topsoil volumes. Chapter 5, section 542.200, and Chapter 3, section 341.200, address slope stability and erosion control, respectively. Reclamation Topography is shown on Plate 5-5 and Reclamation Cross- Sections are shown on six sheets of Plates 5-6. This Analysis section discusses

reclamation information as follows:

- Soil Redistribution
- Soil Nutrients and Amendments
- Soil Stabilization

Soil Redistribution

Cut and fill calculations for the site are found on page 5-61 and Appendix 5-5. An estimated 99,630 CY are needed for fill and an estimated cut quantity is 97,575 CY. This leaves a difference of 2,055 C Y of fill.

Topsoil will be replaced on all areas with slopes less than 2:1 (page 2-38). Based on the 28, 455 CY of salvaged soil (see Appendix 2-6) and 14.7 acres or 640,332 sq ft to receive topsoil, the average soil redistribution will be a depth of 14.4 inches as stated on page 2-39 of the MRP. However, the soils salvaged from the culvert expansion, 1,568 CY, were included in the soil redistribution depths, but should not have been, since these soils will be returned to the reclaimed channel area. This reduces the reclamation topsoil depth to 13.6 inches. (26,887 CY x 27 CF/CY = 725,949 CF. 725,949 CF x 640, 332 SF = 1.13 ft or 13.6 inches.) If the underlying material is suitable, these soil depths will allow for the implementation of surface roughening reclamation techniques, such as deep pocking, or gouging of the soil surface without penetrating the subsurface fills. Should the additional 6,504 CY of topsoil substitute material become available during reclamation, the topsoil depth would increase to approximately 16 inches. If excess soil is available after channel reclamation, then these excess soils may be used else where in the disturbance area.

Where dictated by the reclamation channel design, riparian soils (1,568 CY salvaged and stored separately) will be placed within the interstitial spaces of the riprap to promote riparian vegetation establishment. Soils placed outside the riprap areas will be reseeded following soil preparation and surface.

As noted in the backfilling and grading section of the engineering review within this Technical Analysis, all slopes should receive topsoil (R645-301-553.100). Any areas which will not receive topsoil should be identified on the Reclamation Topography Map, Plate 5-5.

Soil will be replaced in all disturbed areas (except the road) in Pace Canyon (see Plate PC5-6). In Pace Canyon 1.5 acres will be revegetated. Soil stockpiled at the Pace portal site will be moved using a Cat D8 dozer. Soil Stockpiled at Soldier Canyon storage site will be loaded with the Cat 325 excavator and hauled using 12 CY dump trucks (Appendix 5-6 Reclamation Bond Estimate). [04/21/05]

Soil Nutrients and Amendments

Soil nutrients and amendments will be applied to the redistributed soils based on analyses of samples collected from the stockpiled topsoil.

Soil Stabilization

Soil may be replaced at grades of up to 1.5h: lv (page 5-70). The steepness of these slopes will be reduced at their base, providing a concave slope. Soil stabilization techniques also include ripping the subsoils (see page 2-39), gouging all slopes 3H: 1V or greater after topsoil application (2-40 and 576) and hydromulching the seeded surface (page 2-41 and 3-44 and 3-50). Slopes which are 3h: lv or steeper will be gouged using a trackhoe (page 5-70).

Findings:

The information provided meets the regulatory requirements of this section.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 701.5, 784.24, 817.150, 817.151; R645-100-200, -301-513, -301-521, -301-527, -301-534, -301-537, -301-732.

Analysis:

All roads in the disturbed area will be retained as part of the Postmining land use or fully reclaimed. The main road will be reclaimed by removing the pavement. All other roads in the disturbed area will be reclaimed according to the backfilling and grading plan. The dirt roads outside the disturbed area will only be used for access to monitoring and data collection sites. The Division determined that since the dirt roads outside the disturbed area existed before the permit was issued and that mining activities will have a small impact that the dirt roads outside the disturbed area do not need to be reclaimed. The only paved road outside the disturbed area is a county road. The Division does not permit public roads. Therefore, the Division will not require the County or applicant to reclaim the county road.

The dirt road in the disturbed area will be reclaimed. No cut slopes from the dirt road will beleft.

The main haul road will be modified and left as part of the postmining land use. The Division determined that the road was needed to support the postmining land use and that the designs for the road are adequate. Therefore, the applicant met all the requirements of this section.

Findings:

The applicant met the minimum requirements of this section.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

Analysis:

Ground-water monitoring.

Reclamation ground-water monitoring protocols are given along with the operational monitoring protocols on pages 7-52 through 7-56. Locations of wells and springs to be monitored are on Plate 7-1. Groundwater monitoring during the post-mining period will continue until bond release p. 7-56). See the discussion of Ground Water Information under Baseline Information in the Environmental Resource Information section. No groundwater monitoring sites exist on the fan portal area.

During the post-mining period field data and water samples will be collected from springs SC65 (Colton Formation), SP-20 (Flagstaff Formation), and SC-14 and SC-100 (Flagstaff Formation at contact with North Horn Formation) once each year during September or October (low-flow season while the sites are still accessible).

Water levels will be measured in wells GW-10-2, GW-11-2, and GW-24-1 (all completed in the Price River Formation or the underlying Castlegate Sandstone) once each year. Exploration or monitoring wells are planned to be sealed before final bond release, but if ownership of the wells is transferred the permittee will remain responsible for the management of the wells until bond release (p. 7-60).

Surface-water monitoring

Data will be collected from the sedimentation pond discharge point in accordance with the UPDES permit. Data will be collected under the surface water monitoring program every year until bond release (p. 7-59). Locations of surface-water monitoring sites are on Plate 7-1.

Acid and toxic-forming materials

Acid- or toxic-forming information is provided in Chapter 6, Geology, Chapter 5, Engineering, and Chapter 7, Hydrology and in the Refuse Volume. Acid Toxic forming material will be disposed of at the refuse site and covered with a minimum of four feet of soil.

Transfer of wells

Before final release of bond, exploration or monitoring wells will be sealed in a safe and environmentally sound manner. Ownership of wells will be transferred only with prior approval of the Division, and conditions of such a transfer will comply with State and local laws. Canyon Fuel Company will remain responsible for the management of transferred wells until bond release (p. 7-60).

Discharges into an underground mine

No discharges of surface water will be made to an underground mine in the permit and adjacent areas (p. 7-60).

Gravity discharges

No gravity discharges will be made from an underground mine in the permit and adjacent areas (p. 7-60).

Water quality standards and effluent limitations

Discharges of water from disturbed areas will be in compliance with all Utah and federal waterquality laws and regulations and with effluent limitations for coal mining contained in 40 CFR Part 434 (p. 7-86).

Diversions

All corrugated metal culverts are removed during reclamation and the canyon is restored to its approximate original contour. The stream reclamation plan is covered on pages 7-92 through 7-100, and in Appendix 7-11. The basic plan is to line Dugout Creek and its main eastern tributary reclamation channels with riprap to form a stable "macrochannel". The required 100-year, 6-hour design event was used to size the channels. The channels are eight feet wide and three feet deep resulting in 1.9 feet of freeboard. The riprap is two feet thick with filter blankets sized to the underlying soil. Filter design will be finalized at reclamation to base the design on soils present at that time since there will be a mixture of soils during reclamation. Estimated riprap and filter quantities are contained in the appendix.

In addition, there will be a series of 29 " Channel Stability Enhancement Structures", to provide a "microchannel" environment to increase sediment deposition above the macrochannel. These are shown in Fig. 7-12 and are spaced about every 60 feet along the

channel. Three types are employed: Low-Stage Check Dams, Bank-Placed Boulders, and Rock or Log Spurs. The overall impact of the stream reclamation will be to provide a channel that is significantly improved over that which was left by pre-SMCRA mining and a channel that will promote riparian revegetation. It should be noted that no fish have been found in Dugout Creek.

Page 3-21 describes a mitigation plan whereby about 7,500 feet of streambank above the mine disturbed area is reseeded and vegetation is planted in the stream. This is consistent with the typical 3: 1 mitigation for such projects and will result in immediate and long-term benefit to the stream.

The second phase of the plan extends the length of Dugout Creek to be reclaimed and includes additional side channels, but the methods remain the same.

All corrugated metal culverts in Pace Canyon will be removed during reclamation when the Canyon is restored to its approximate original contour. Disturbed areas along stream channels will be rebuilt. The Permittee has beeen asked to evaluate the expected velocities where the stream channel has been disturbed to see if they should be riprapped. The required 100-year, 6-hour design event was used to size the channels.

The overall effect of the stream reclamation will be to provide a channel, which is a significant improvement over that which was left by pre-SMCRA mining. The channel design will promote riparian revegetation. It should be noted that no fish have been found in Pace Creek.

Stream buffer zones

No information could be found in the plan regarding stream buffer zones being established and adhered to during reclamation. The stream buffer zone which was established by the Permittee prior to the development of the Pace Canyon site will be maintained to keep mining activities out of the stream. The permittee will maintain the stream buffer zone markers through Phase III bond release of this site.

Sediment control measures

The sediment control measures during reclamation include silt fences and straw bales, which are considered adequate when used as described. Removal of the sediment pond is primarily filling in an excavation. However, since reclamation will be every bit as large a project as the construction of the site, the applicant has committed to similar sediment control measures. Specifically, the minimum of four silt fences at the lower end of the site will be used.

Siltation structures

The only siltation structure in Dugout Canyon is the sediment trap, silt fences and straw bales, which is described in the next section. The pond will be removed at reclamation.

At reclamation the Permittee will remove the sediment trap and recontour the site. The Permittee plans to use straw bales, silt fences, mulching and surface roughening to treat / capture any sediment generated during the revegetation process.

Sedimentation ponds

R645-301-542.400 and R645-301-542.500 state the requirements for sediment pond reclamation. Under the requirements in R645-301-542.400 the applicant is required to remove all temporary sediment structures and ensure that all permanent structures are in good working condition. Under the requirements of R645-301-542.500 the applicant is required to supply a timetable for the removal of each sediment pond.

In Phase II the applicant plans to replace the Phase I sediment pond with the Phase II sediment pond. The Division considers the removal of the Phase I sediment pond as part of the operation plan rather than the reclamation plan.

Figure 5-3, Reclamation Timetable, shows that the sediment ponds will be removed after most of the reclamation activities have been completed. Most of the reclamation work that will be done after the sediment ponds have been reclaimed involve reclaiming the sediment ponds themselves.

Other treatment facilities

The Permittee will use gouging, mulch and reseeding, to establish vegetation. These will control erosion and minimize the contribution of sediment to the stream channel during and after reclamation.

Exemptions for siltation structures

This does not apply to this project.

Discharge structures

The applicant does not propose to have surface waters discharge into underground mine openings. The backfilling and grading plans do not show water flowing into the mine openings. The applicant met the requirements of this section. No discharge structures or impoundments will exist at the fan portal site after it has been reclaimed.

Impoundments

The Dugout Mine has a sediment pond, and two sediment traps located within the main Mine facilities, and a sediment trap associated with the Pace Canyon fan portal facilites. See the section on sediment ponds.

Casing and sealing of wells

When no longer needed for monitoring or other use approved by the Division and upon a finding of no adverse environmental or health and safety effects, or unless approved for transfer as a water well, each well will be capped, sealed, backfilled, or otherwise properly managed as required by the Division. Permanent closure measures will be designed to prevent access to the mine workings by people, livestock, fish and wildlife, machinery and to keep acid or other toxic drainage from entering ground or surface waters (p. 7-97). There are no wells associated with the Pace Canyon fan portal

Findings:

Reclamation hydrologic information provided in the PAP is considered adequate to meet the requirements of this section.

CONTEMPORANEOUS RECLAMATION

Regulatory Reference: 30 CFR Sec. 785.18, 817.100; R645-301-352, -301-553, -302-280, -302-281, -302-282, -302-283, -302-284.

Analysis:

General

The Permittee plans to reclaim all disturbed areas as contemporaneously as possible within the constraints of seasonal weather.

Findings:

The Permittee has supplied information to meet the minimum requirements for the Contemporaneous Reclamation section of the regulations.

REVEGETATION

Regulatory Reference: 30 CFR Sec. 785.18, 817.111, 817.113, 817.114, 817.116; R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284.

Analysis:

Revegetation: General Requirements

The MRP meets R645-301-330, R645-301-331, and R645-301-332 because the Permittee provides an adequate reclamation plan or discussion of how reclamation measures will meet the performance standards. [05052005]

Revegetation: Timing

Figure 5-3 shows the general reclamation timetable. The earthwork and revegetation practiced will occur nearly simultaneously until completion. The schedules for planting are during normal planting seasons. Traditionally, seeding is done in the fall with planting done in the spring. However, recent experience at another mine has shown that transplanting in the fall can be very successful.

Revegetation: Mulching and Other Soil Stabilizing Practices

Areas being reclaimed will be graded to final contours then ripped to six to twenty-four inches on approximately four-foot centers. Next, topsoil will be spread and left in a roughened state, and fertilizer will be applied. Where possible, a ripper-equipped tractor will be used to incorporate the fertilizer. Where the slope is too steep for this equipment, the fertilizer will be incorporated with the teeth of a trackhoe bucket. Where contour ripping is not possible, the slopes will be pocked with a trackhoe. The applicant has eliminated the plan to use dozer tracking, and this satisfies condition 21 of the March 16, 1998, permit.

The plan contains three seed mixtures. The seed mixes have been changed in accordance with requirements in condition 20 of the March 16, 1998, permit. Every species in these mixtures is native to Utah, and they should provide vegetation that meets the performance standards, including the requirement that they have value for wildlife.

Section 322.200 shows a seed mix to be used in this a mitigation area upstream of the mine. While some of the species in this mix are introduced, these aggressive species are needed to stabilize the very steep slopes below the logging road.

A type of hydromulch called Ecofiber was used at the rate of one ton per acre in the mitigateion area upstream from the mine. The permittee received verbal approval to use this mulch based on the plan that says wood fiber was used for bonding.

Grass and forb seeds will be drilled where possible; otherwise, the seed will be broadcast. All slopes steeper than 3h: lv will be broadcast seeded. Although both drilling and broadcast seeding are acceptable, the Division has seen very good results with carefully controlled broadcast seeding and recommends this method. Drilling tends to reduce surface roughness.

Methods for establishing vegetation in the riparian areas are discussed in the "Riparian Restoration and Planting" section below.

Following seeding, disturbed areas will be mulched with a Division-approved mulching material. For bonding calculations, wood fiber mulch applied at the rate of 2000 pounds per acre was assumed. The applicant has eliminated the plan to use erosion control matting. This fulfills the requirement of condition 24 of the March 16, 1998, permit.

Wood fiber mulch is generally more expensive to apply than some other mulches, so using this for bonding calculations is acceptable. However, before actually applying mulch, the applicant will need to have the specific mulch approved by the Division. It is expected mulch will be applied for interim revegetation seedings as early as the fall of 1998.

Under "Irrigation, Pest and Disease Control, " the plan says no irrigation is planned and pesticides will not be used unless previously approved by the Division. In the discussion on riparian area planting, it says an irrigation program will be considered if the cottonwoods are planted as transplants. The topsoil storage area at the Soldier Canyon Mine will be treated to attempt to control cheatgrass.

Riparian Restoration and Planting

The applicant plans to restore Dugout Creek using a concept of macro- and micro-channels.

The macro-channel will be a riprapped (D_{50}=12") channel 8 to 12 feet wide. The micro-channel within the macro-channel is approximately 3 feet wide and 1 foot deep. The micro-channel will be developed by establishment of 3 types of in-stream structures spaced about every 60 feet. The structures are thought to trap sediment which in turn will allow vegetation establishment. These structures are low stage check dams, bank-placed boulders, and rock or log spurs. Figure 7-12 shows typical drawings of these structures, and Plate 7-9 illustrates where they will be placed. This satisfies the requirements of condition 17 of the March 16, 1998, permit.

Stream banks will be seeded with the Final Reclamation Seed Mix #2 (Section 341.200). Trees and shrubs will be planted as specified in the mixture. According to specifications in the plan, the following plantings should occur:

Narrowleaf cottonwoods and Rocky Mountain maples will be planted on the top of the bank at the rateof approximately 500 per acre. This will provide an 8 foot distance between individuals that will be 2 deep (wide).

The applicant has committed to plant willows at the rate of 4000 per acre. Assuming the area in which they would be planted is about five feet wide on each side of the stream, this would equate to a spacing of about one cutting every two feet. However, the applicant has qualified this commitment since the entire stream area may not be available for planting. Experience at other mines has shown that only part of the stream channel is available for planting immediately after reclamation and that more areas become available as silt accumulates in the channel. The application indicates the commitment to plant 4000 willows may not be met immediately after reclamation but that the applicant will consult with the Division about how many willows can be planted. The commitments in the plan, including the sections that area qualified, are acceptable, and this satisfies condition 16 of the March 16, 1998, permit.

Sedge and horsetail plugs will be planted at the rate of 1000 per acre. Species of sedges to be used will need to be determined based on availability and what species are present in the area.

The mid- to upper bank zone will be planted at a rate of 2250 plants per acre which is the equivalent of 4.4-foot spacings. Species to be used include woods rose, currant, snowberry, elderberry, and serviceberry. The width of this zone varies widely through the length of disturbance.

These planting densities are recommended by the NRCS. Figure 3-1 illustrates the various planting zones within the riparian area, top of channel, reclaimed slope, and top of riprap. This figure has been modified in accordance with the requirement of condition 18 of the March 16, 1998, permit. Because of the use of in-stream structures, most plantings will need to be done in clumps in the most favorable locations along the reclaimed channel rather than at specific intervals along the full length. Nevertheless, it will be necessary to have some plantings even away from the structures.

The plan does not say specifically what type of plant material will be used to establish cottonwoods, but either seedlings or pole plantings could be used. Seedlings should be large enough that they would have an influence on the riparian area after ten years. If poles are used, the applicant commits to have them be long enough to reach the water table and at least 1-3 inches in diameter. While the level of the water table is not known, the applicant commits to drill periodic holes to find this level so the poles can be planted deeply enough. These commitments satisfy the requirements of condition 19 of the March 16, 1998, permit. Enough of the poles should be left above ground so they will be above the surrounding vegetation. Two to twelve year old wood (non-furrowed, smooth bark) is best. The most important factor is to place the pole eight to ten inches below the summer (lowest) water table.

In the designs provided in the application, the applicant has adequately responded to condition 15 of the March 16, 1998, permit.

Revegetation: Standards For Success

The Permittee will follow the sampling requirements and analysis identified in the Division's "Vegetation Information And Monitoring Guidelines" (Vol. 1, Sec. 356). Table 3-3 shows the reclamation-monitoring schedule. The Permittee will conduct yearly qualitative vegetation evaluations as well as conduct quantitative vegetation surveys throughout the 10-year responsibility period. The Permittee plans to use reference areas and *range sites* for the standards of success. [05052005]

Revegetation success standards are discussed primarily in Section 356. The cover standards are based on range site baseline sampling done in 1997. They are 66% and 85 % cover for the pinyon/juniper and riparian areas, respectively. Raw data and statistical information are in Appendix 31.

The woody plant density standard is 2200 stems per acre for both communities. This is a technical standard based on baseline information and professional experience.

The applicant has included range site descriptions for Upland Very Steep Shallow Loam (pinyon/Utah juniper), Semiwet Streambank (narrowleaf cottonwood), and Wet Saline Streambank (coyote willow) range sites. The descriptions of soils, slopes, vegetation, and precipitation for the Upland Very Steep Shallow Loam site appear to match the pinyon/juniper areas of Dugout Canyon fairly well.

The Wet Saline Streambank range site definitely does not apply to the Dugout Canyon riparian area. In this range site description, slopes are mostly 0-2 % with elevations from 4600 to 4900 feet. The Dugout Creek stream gradient is about 5 %, and the elevation is about 7000 feet. Other aspects of the description do not match.

The Semiwet Streambank range site more closely describes the Dugout Creek riparian area, but it is not a precise match, either. The slope in the range site description is 04%, the elevation is 4700 to 6400 feet, and the precipitation is 5-12 inches. Also, the range site description mentions a braided stream channel which does not occur in the stretch of Dugout Creek in the disturbed area. Some of the dominant species in the range site description, such as alkali sacaton, basin big sage, squawbush, and Baltic rush, are either not present or are present in relatively low numbers rather than being dominant.

The applicant has indicated in conversations with Division personnel that it has not been able to find a described range site that precisely matches the condition of the Dugout Canyon

riparian area and that the included range sites are for general information. However, the range site reference areas proposed in the application are acceptable. While the species and the distribution of species in life forms in disturbed areas and proposed range site reference areas do not match precisely, they are similar enough that the Division can accept them as revegetation success standards. If anything, the standards may be difficult to attain.

The plan indicates the productivity estimates given by the NRCS would be used as success standards. These values are 800 and 1500 pounds per acre for the pinyon/juniper and riparian areas. The applicant commits to sample productivity at corresponding range sites if the NRCS production estimates are insufficient to satisfy regulatory requirements.

The diversity standard will be a technical standard. The success standard for both the pinyon/juniper and riparian areas is that there will be two tree and shrub species, three grasses, and two forbs each with at least five percent cover It is unknown how the success standard was selected, but with the other success standards, it should ensure a community that meets regulatory requirements for diversity. However, achieving this standard may be difficult.

The applicant has chosen to not apply the revegetation success standard in R645-301-356.250. Parts of the area to be disturbed have been previously disturbed, others have only been affected, and some are undisturbed. It would be difficult to apply the different standards over the relatively small disturbed area.

Condition 23 of the March 16, 1998, permit requires the applicant to either revise Plate 5-2C or to remove a statement about the applicability of R645-200 to certain parts of the disturbed area. The statement has been removed and the plate renumbered as Plate **54.**

The husbandry practices approved by the Division will be applied as needed.

Fish and Wildlife Habitat

The reclamation plan, including species selection, meets the requirements of R645-301-342.

Findings:

Information provided in the application is considered adequate to meet he requirements of this section of the regulations.

STABILIZATION OF SURFACE AREAS

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

Analysis:

Final reclamation treatments: topsoil depths, hay, gouged, mulched and seeded areas are described in Chapter 2. Extreme roughening is listed as one possible treatment for final reclamation on p 2-40. Also it is shown on Plate 7-5A as a main treatment for contemporaneous reclamation of the Pace Canyon site during operations. The extents of the reclaimed area in Pace Canyon are illustrated on Plate 5-6. [04/21/05]

Findings:

The information provided meets the requirements for Soil Stabilization.

CESSATION OF OPERATIONS

Regulatory Reference: 30 CFR Sec. 817.131, 817.132; R645-301-515, -301-541.

Analysis:

In Section 515.300 the applicant discusses temporary cessation. In that section the applicant commits to follow the requirements of R645-301-515.300. The Division considers the commitment adequate to meet the minimum regulatory requirements.

Findings:

The applicant met the minimum regulatory requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

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

Analysis:

Affected Area Boundary Maps

The affected area boundaries are similar to the disturbed area boundaries and the subsidence area boundaries. See Section R645-100-200 for the definition of the affected area. Plate 5-7 shows the anticipated subsidence area boundaries. Since the extent of subsidence will not be known until mine has been completed and the only reclamation requirements in the subsidence area are to mitigate unforseen subsidence damages the Division considers the Plate 5-7 adequate. The Permittee has supplied Plate PC7-5A, identifying the sediment control areas

which will be utilized during reclamation of Pace Canyon. Plate PC5-5 depicts the reclamation topography and cross-section locations in Pace Canyon.

Bonded Area Map

The bonded area maps identify the initial and successive areas or increments for bonding. These maps were intended for surface mines where mining and reclamation are conducted concurrent. Underground mines usually reclaim all disturbed areas at the same time. The applicant's reclamation plan shows that all disturbed areas will be reclaimed at the same time. Therefore the Division does not need a map that shows when each area will be reclaimed. Plates 5-5 and Plate 5-6 show the reclaimed surfaces and are considered adequate bond area maps by the Division.

Reclamation Backfilling And Grading Maps

Plates 5-5, 5-6, PC5-5 and PC7-5A show the backfilling and grading plans. The Division considers these maps adequate.

Reclamation Facilities Maps

Plates 5-5 show the facilities that will be left after reclamation. The Division considers that maps adequate.

Final Surface Configuration Maps

Plates 5-5 and Plate 5-6 show the final surface configuration. The Division considers those maps adequate. Plates PC5-5 and Plate PC7-5A show the final surface configuration for Pace Creek fan portal.

Reclamation Monitoring And Sampling Location Maps

Elevations and locations of monitoring stations used to gather reclamation water quality and quantity data are on Plate 7-1.

There are no permanent wildlife monitoring sites. Habitat enhancement, the riparian area along Dugout Creek, is shown on reclamation maps.

No map of air quality monitoring sites has been required by UDOGM.

Reclamation Surface And Subsurface Manmade Features Maps

These maps should show the location of all buildings in and within 1,000 feet of the proposed permit area, with identification of the current or proposed use of the buildings at the time of final reclamation. The location of surface and subsurface manmade features within, passing through, or passing over the proposed permit area. The location of each public road located in or within 100 feet of the proposed permit area and all roads within the permit area that are to be left as part of the postmining land use.

There are no buildings or other structures within 1,000 feet of the permit area except for roads. The Division does not need a map that shows the reclamation permit boundaries and all lands within 1,000 feet of the permit boundaries. The Division considers the maps of the reclaimed disturbed area adequate for this section.

Reclamation Treatments Maps

Figure 7-12 and Plate 7-9 show details of structures to be used in the stream to enhance or restore riparian habitat. A 7500-foot section of riparian area upstream from the mine will be enhanced as mitigation, but no other wildlife enhancement or monitoring features are planned. Text descriptions of other reclamation treatments, such as seeding and mulching, are considered adequate.

Certification Requirements.

Cross sections, maps, and plans have been prepared by, or under the direction of, and certified by a qualified, registered, professional engineer.

Findings:

Information provided by the Permittee meets the minimum requirements of the regulations.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Form of Bond

The bond is a surety bond and is considered adequate by the Division.

Determination of Bond Amount

R645-301-830.100 states that the performance bond will be in an amount determined by the Division. The Division determined the bond amount. Detail bond calculations are on file with the Division.

During the analysis of Task ID# 2193, Pace Canyon fan portal, the Division evaluated the reclamation cost estimate. The Division determined that the reclamation for the entire Dugout Canyon Mine disturbed area would cost $2,400,000 in 2007 dollars. The current bond amount is $2,400,000 so no change to the bond is needed.

Terms and Conditions for Liability Insurance

The applicant has a permit to operate the Dugout Mine. As part of the permit conditions the applicant must have adequate insurance. The insurance requirements will not change if Phase II is approved. Therefore, the Division has determined that the applicant has adequate insurance.

Findings:

The Applicant met the minimum requirements of this section.

REQUIREMENTS FOR PERMITS FOR SPECIAL CATEGORIES OF MINING

INTRODUCTION

Regulatory Reference: 30 CFR Sec. 785; R645-302, et seq.

Analysis:

Findings:

EXPERIMENTAL PRACTICES MINING

Regulatory Reference: 30 CFR Sec. 785.13; R645-302-210, -302-211, -302-212, -302-213, -302-214, -302-215, -302-216, -302-217, -302-218.

Analysis:

Findings:

MOUNTAINTOP REMOVAL MINING

Regulatory Reference: 30 CFR Sec. 785.14, 824; R645-302-220, et. seq.

Analysis:

Special Permanent Program Performance Standards--Mountaintop Removal

Findings:

STEEP SLOPE MINING

Regulatory Reference: 30 CFR Sec. 785.15; R645-302-230 et. seq.

Analysis:

Findings:

PRIME FARMLAND

Regulatory Reference: 30 CFR Sec. 785.16, 823; R645-301-221, -302-300 et seq.

Analysis:

Prime Farmland Application Contents.

Consultation with Secretary of Agriculture.

Issuance of Permit.

Soil Removal and Stockpiling

Soil Replacement

Revegetation and Restoration of Soil Productivity

Findings:

COAL PREPARATION PLANTS NOT LOCATED WITHIN THE PERMIT AREA OF A MINE

Regulatory Reference: 30 CFR Sec. 785.21, 827; R645-302-260, et seq.

Analysis:

Findings:

OPERATIONS IN ALLUVIAL VALLEY FLOORS

Regulatory Reference: 30 CFR Sec. 822; R645-302-324.

Analysis:

Essential Hydrologic Functions

Protection of Agricultural Activities

Monitoring

Findings:

IN SITU PROCESSING

Regulatory Reference: 30 CFR Sec. 828; R645-302-254.

Analysis:

Findings:

AUGER MINING

Regulatory Reference: 30 CFR Sec. 785.20, 819; R645-302-240 et. seq.

Analysis:

Findings:

CUMULATIVE HYDROLOGIC IMPACT ASSESSMENT (CHIA)

Regulatory Reference: 30 CFR Sec. 784.14; R645-301-730.

Analysis:

UDOGM has provided an assessment of the probable cumulative hydrologic impacts (CHIA) of the Dugout Mine operation and all anticipated mining upon surface- and ground-water systems in the cumulative impact area. It has been determined that the Dugout Mine operation has been designed to prevent material damage to the hydrologic balance outside the permit area. The Pace Canyon Fan Portal amendment was reviewed by the Division. It is determined that additional changes to the hydrologic balance will not take place. A new or updated CHIA is not required for permit approval. However, the Division will update the CHIA to include: 1) the addition of the Fan Portal location in Pace Canyon. 2) the new water monitoring site above the Fan Portal site. 3) the new water UPDES site. The permitted area will remain within the boundaries of the existing CIA, and there will be no mining operations in hydrologic basins other than those approved in the current permit.

Findings:

The Permittee has supplied sufficient information to allow the Division to update the Cumulative Hydrologic Impact Assessment.

COMMITMENTS

Commitments for Biology as of 5/05/05:

REPORTING OF TECHNICAL DATA

Title: Confidential. Objective: Submit confidential information in amendments, annual reports, and explorations in a separate folder. Frequency: NA. Status: Starting in June 2005. Reports: NA. Citation: NA.

ENVIRONMENTAL RESOURCES: FISH AND WILDLIFE INFORMATION

Title: Bats. Objective: Conduct a 2005 bat survey for Pace fan project. Frequency: One time event, but may conduct follow-up. Status: Pending as of 4/19/2005. Reports: Provide in Annual Report. Citation: Vol. 1, Sec. 322, p. 3-19.

Title: Vegetation mitigation project for bats. Objective: Permittee planted willows in the stream channel above the mine site in exchange for impacting local bat populations around 1997. Frequency: On going. Status: Will transplant additional willows at time of final reclamation. Reports: NA. Citation: Vol. 1, Sec. 322, pp. 3-19 through 3-20.

Title: Annual over-flight raptor surveys. Objective: Obtain baseline data prior to mining disturbances including subsidence of cliff habitat. Conduct follow-up surveys within one year if nests were observed during the baseline surveys and if operations resulted in subsidence. Frequency: Annually. Status: On going. Reports: Annual Reports. Citation: Vol. 1, Sec. 322, p. 3-13.

Title: Raptor nests and subsidence. Objective: Permittee and agencies will determine, nine months or the summer period prior to potential subsidence, methods of avoidance, protection or removal, and mitigation plans for raptor nests within the subsidence zone. Frequency: Least/project dependent. Status: On going. Reports: NA, but Annual Reports will provide over-flight results. Citation: Vol.1, Sec. 332; Condition 10 of March 16, 1998 permit.

OPERATIONS: FISH AND WILDLIFE INFORMATION - Protection and Enhancement Plan

Title: Ungulate exclusionary periods. Objective: Protect deer and elk during May 1 - July 1 for calving and November 1 – May 15 for wintering. Frequency: Project dependent. Status: On going. Reports: NA. Citation: *Need to locate*.

Title: OUTDATED METHOD - Raptor nest protection. Objective: Cover nest within the subsidence zone from March 15 through May 31. Frequency: Least/project dependent. Status: On going, but should be removed from MRP (DWR, 12/30/2004). Permittee agrees to consult with agencies prior to any mitigation efforts. Reports: NA
Citation: App. 3-2, Letter from Barry Barnum (1996).

Title: Goshawks. Objective: Conduct ground surveys for goshawks in areas with dense canopy habitat and areas planned for mining facilities. Low probability of occurrence. Frequency: Project dependent. Status: On going. Reports: Annual Report. Citation: *Need to locate*.

Title: Northern saw whet owls. Objective: Conduct ground surveys for Northern saw whet owls in areas with Douglas fir, mixed conifer or aspen habitats at higher elevation and areas planned for mining facilities. Survey one or two nights within a 300-meter perimeter of disturbance. Frequency: Project dependent. Status: On going. Reports: Annual Report. Citation: *Need to locate*.

Title: Northern saw-whet owl nesting box mitigation project. Objective: Twenty-six nesting boxes designed to attract the Northern saw-whet owl and other small-medium sized cavity nesting birds. Mitigation project because degas drilling occurred during the exclusionary period (March 31-August 31). Frequency: One time event. Status: Completed in 2004. Reports: NA. Citation: *Need to locate once Degas G7 is approved in 2005*.

Title: Pace Creek videotape. Objective: Video tape Pace Creek stream channel from surface water monitoring locations - PC1A to where Pace Creek leaves the SW 1/4SW 14 Section 22, T13S, R13E. Frequency: One-time event. Status: Pending as of 4/20/2005. Reports: NA, but Permittee will provide one copy for the Division. Citation: *Need to locate*.