

June 28, 2006

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

Subject: Degas Wells G-13 thru G-17, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/039, Task ID #2456

Dear Mr. Sass:

The Division has reviewed your initial application (Task ID #2456, submitted March 17, 2006) to permit five additional degasification wells designated as G-13, G-14, G-15, G-16, and G-17 for the Dugout Canyon Mine.

The Division has determined that there are some deficiencies that must be addressed before a determination can be made that the requirements of the R645 Coal Mining Rules have been met, and an approval can be granted. Those deficiencies are listed as an attachment to this letter.

The members of the review team include the following individuals:

- (PWB) Priscilla Burton, soils
- (SKC) Steve Christensen, hydrology
- (JAE) Jerriann Ernstsens, archeology/biology
- (PHH) Peter Hess, engineering/team lead
- (WHW) Wayne Western, bond determination

Each deficiency identifies its author by that author's initials in parentheses, such that your staff can directly communicate with that individual should any questions arise relative to the preparation of Canyon Fuel Company's response to that particular deficiency.

Please note that there are no deficiencies relative to bond determination or soils.

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Please respond to these deficiencies as soon as possible, but by no later than July 30, 2006, such that we may efficiently process your application.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor

PHH/sd  
Attachment

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**Deficiency List**  
**Task ID #2456**  
**Degasification Wells G-13 through G-17**

**R645-301-121.200**, Although 42CB1595 is near the already approved G11 and G12 sites, the Permittee may want to include a clarifying statement on page 4-3 that this historic resource was not recommended as eligible for the NRHP.

- It is not clear whether Senulis (2005) surveyed all the roads or just a single road; the Permittee needs to clarify this in the MRP. The survey map does not delineate the survey area – it only delineates the proposed project. The Methods explains that the “access road was surveyed...”. For this amendment, the Permittee must clarify whether the access road was surveyed for G14.
- Remove the two paragraphs (pp. 3-6, 4-3, 4-4) discussing the applicability of biological and cultural information in previous EAs or apparently unrelated survey reports or clearly describe in these paragraphs that the impact analysis or surveys included the area and drilling of these specific degas holes. The Permittee must provide citations (including section and page numbers of the documents) if the Permittee chooses to retain these two paragraphs.
- Provide the correct date for the Senulis citation (p. 4-4).
- Clarify the incomplete sentence concerning vegetation.
- Table 3-1 provides a list of degas wells with their associated reference areas. The reference area titles in the table, however, do not match the reference area titles provided on Fig. 3-1. The Permittee must provide clarification so the table and map reference area titles match. Also, accurately assign the degas hole numbers to the correctly titled reference areas.
- The Permittee included wording that implies that the company is not committed to the liability period for G11 and G12 based on the request of the landowner (March 16, 2006 submittal pp. 3-20, 4-3, 4-4, 5-15). The Permittee must clarify this assumption by either removing the inference or providing a post mine land use change that would allow the release of the liability obligation, such as changing to commercial. If the Permittee chooses to provide a PMLU change, as discussed in a previous meeting over this change (2006), the Permittee must include the following:
  - 1) Provide a letter from the landowner clearly stating the intended PMLU for the G11 and G12 degas pads.
  - 2) Provide a description in the plan clearly stating the intended PMLU for the G11 and G12 degas pads, including a discussion of the following:
    - a. Size of disturbance including access,
    - b. Proportion of area that was pre-disturbed,
    - c. Size of the disturbance is approximately the same as need for the intended PMLU.
  - 3) Provide a description of the liability period and obligations prior to release of the liability period for G11 and G12 including the following:
    - a. Cover estimate of the native grasses (as reseeded),
    - b. Sediment loss and stability estimates using the RUSLE equation (or other equivalent analysis),
    - c. Pictures during growing seasons both prior to disturbance and following reclamation.

Correspondingly, the Permittee must clarify the contradictions on the recontouring and reclamation of G11 and G12 that are on pages 5-15 with 5-13, Fig. 5-26, and Title page for Att. 5-1. (JAE)

**R645-301-333**, The Permittee probably has conducted the 2006 raptor survey. For the G13-G17, the Permittee must provide the summary of the 2006 raptor survey. The Division is concerned of whether nest 424 is active because one of the proposed drill sites is within the 0.5-mile buffer zone. This concern is more than likely a moot point if the Permittee plans to begin drilling after July 15<sup>th</sup>.

- The 2006 proposed degas well project, especially G13 and possibly G14, is in an area that may include habitat for the northern saw-whet owl (NSO) and northern goshawk. The Permittee must either provide ground-truthing from DWR stating that this proposed project does not include NSO habitat, conduct a NSO calling survey by an approved surveyor prior to drilling, or confirm that drilling will not begin during the exclusionary period.
- The Division reminds the Permittee to submit raptor results as confidential when submittals include maps or descriptions of raptor nest locations. **(JAE)**

**R645-301-411.140**, The Division can not make a determination of whether this drill project would have an effect to historic resources because the 2005 Class III survey did not provide or clearly describe the results for G-15 through G-17 drill sites or the associated roads. The Permittee must provide the baseline information. **(JAE)**

**R645-300-112.400**, The Permittee needs to provide a FIGURE 5-16, TYPICAL WELL DESIGN (See Task ID #1642) for the Task ID #2456 application. **(PHH)**

**R645-301-542.600**, the Permittee must clarify whether the 350 feet of road which was re-aligned to develop well site G-13 will remain in its re-aligned location, or if the re-aligned road will be reclaimed and the road restored to its original location. **(PHH)**

**R645-301-527.200**, the Permittee must include a detailed description of each road to be constructed within the permit area. This must include specifications for road width, road gradient and road surfacing material for each road that must be constructed, (relocated road associated with G-13, 45 feet of road to access G-15, and 500 feet of road to access G-16). Methods of construction must be included. Methods of topsoil recovery and salvage must be included. Drainage controls must be discussed. **(PHH)**

**R645-301-728.310**, The Permittee needs to include findings as to whether adverse impacts may occur to the hydrologic balance due to the installation of the gob gas vent holes or provide a reference as to where that information can be found in either the Methane Degasification Amendment or the approved MRP. **(SKC)**

**R645-301-728.331**, The Permittee needs to address what probable hydrologic consequences related to sediment yield may result from the gob vent hole installations or provide a reference to where that information can be found in either the Methane Degasification Amendment or the approved MRP. **(SKC)**

**R645-301-728.334**, The application does not adequately address potential ground and surface water availability issues that could arise in connection with the gob gas vent hole construction. On page 7-5, the application states, "during drilling of the wells, the groundwater encountered will be affected." The application does not expand on how the groundwater may be affected. The Permittee should address what affects the gob vent hole construction may have on ground-water and surface-water availability or provide a reference to where that information can be found in either the Methane Degasification Amendment or the approved MRP. **(SKC)**

**R645-301-731, R645-301-732 and R645-301-742.400**, The Permittee needs to provide drawings for the proposed access roads. The drawings should reflect the elements of the design: drainage designs, erosion/sediment controls, proximity to stream channels, physical dimensions, slopes, etc. **(SKC)**

**R645-301-731, R645-301-732 and R645-301-742.400**, The Permittee should clarify which gob vent holes will require new access road construction as well as provide a written description as to the road construction itself: amount of disturbance, drainage designs, erosion/sediment controls, proximity to stream channels, physical dimensions, slopes, etc. **(SKC)**

**R645-301-731.600**, The Permittee should identify which of the intermittent drainages directly adjacent to the proposed gob vent sites are within 100 feet and commit to maintaining a stream buffer zone in those instances. **(SKC)**

**R645-301-742**, The Permittee needs to provide the Division with a description of the sediment controls that will be utilized in connection with the access road construction. **(SKC)**

**R645-301-742.212**, The Permittee should include language in the application that provides for the installation of the siltation structures prior to beginning construction of the drill pads and access roads as required. **(SKC)**