

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

gk

February 21, 2007

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor *gk*

FROM: Priscilla Burton, Certified Professional Soil Scientist *PWB by an*

RE: Permit Area Expansion – Addition of 40 Acres, Canyon Fuel Company, LLC, Dugout Mine, C/007/0039, Task ID #2743

SUMMARY:

A BLM lease modification for 40 acres was received on January 26, 2007. A review of the information provided with the application resulted in the following deficiencies:

R645-301-114.100, Plates 7-1 and 7-2 suggest that a jeep trail on Gil L. Conover's land is used to access the monitoring locations in federal lease U-07064-027821. Mr. Conover is listed as an affected owner and his address is provided in Section 112.500 of the MRP. Please provide right of entry for access to the monitoring wells. • Conditional approval will be recommended, based upon receipt of the BLM Lease modification for inclusion in Appendix 1-1 of the MRP.

R645-301-422, The Mining and Reclamation Plan has the 1999 Air Quality Approval Order and must be updated with the current Air Quality Approval Order.

R645-301-525.100, No pre-subsidence survey was provided for the 40 acres. Plate 5-7 illustrates the angle of draw for extraction from the underground mine. A new landowner may potentially be impacted. That landowner's name is provided in Section 112.500 of the MRP as Gil L. Conover; 450 So. State; Ferron, UT 84523. The Permittee must conduct a pre-subsidence survey on all affected lands and provide the survey to the landowners, the water conservancy district and the Division.

R645-301-528, The Permittee indicates a desire to increase the 12 month production throughput from 5MT to 7MT. The MRP lacks basic information on the coal storage capability at the site. What is the height of the stacking tube? Given the height of the stacking tube and the angle of repose for coal and the bulk density of

TECHNICAL MEMO

coal, what is the area required for the two 7,500 T stockpiles that are indicated on Figure 5-2 Material Flow Diagram for the 5MT throughput? Given the limitations noted on Figure 5-2 for the crusher and loadout bin, will the stockpile size increase under a 7 MT throughput plan?

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

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

Analysis:

No change to existing information.

Findings:

The approved Mining and Reclamation plan meets the requirements of the Regulations.

VIOLATION INFORMATION

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

Analysis:

No change to existing information.

Findings:

The approved Mining and Reclamation plan meets the requirements of the Regulations.

RIGHT OF ENTRY

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

Analysis:

Right of Entry information is found in the MRP Section 114 and Appendix 1-1. Federal Lease U-07064-027821 has been increased by 40 acres to include the NW ¼ NW ¼ of Sec. 21 T. 13 S., R. 13 E. A BLM Lease modification document was not available for inclusion into the MRP, but will be included when received. The MRP tabulates the new lease acreage to be 2,456.14 acres. The 40-acre addition is within the surface land holdings of the Thayn Trust. The Surface Owner Agreement between the Thayn Trust and Canyon Fuel Company is included in Appendix 4-2 of the MRP. The agreement will expire in 2019.

Plates 7-1 and 7-2 suggest that a jeep trail on Gil L. Conover's land is used to access the monitoring locations in the federal lease U-07064-027821. Mr. Conover is listed as an affected owner and his address is provided in Section 112.500 of the MRP. Please provide right of entry for access to the monitoring wells.

Findings:

Prior to approval the following information is requested, in accordance with:

R645-301-114.100, Plates 7-1 and 7-2 suggest that a jeep trail on Gil L. Conover's land is used to access the monitoring locations in the federal lease U-07064-027821. Mr. Conover is listed as an affected owner and his address is provided in Section 112.500 of the MRP. Please provide right of entry for access to the monitoring wells. • Conditional approval will be recommended, based upon receipt of the BLM Lease modification for inclusion in Appendix 1-1 of the MRP.

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 application does not change the status of unsuitability claims for the coal mining and reclamation operation as defined by the rules and by the 2003 District Court of Appeals Decision that subsidence is not considered within the definition of coal mining and reclamation operations.

Findings:

The available information meets the requirements of the Regulations.

TECHNICAL MEMO

PERMIT TERM

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

Analysis:

This amendment does not change the permit renewal dates.

Findings:

The information available meets the requirements of the Regulations.

PUBLIC NOTICE AND COMMENT

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

Analysis:

Certificates of Insurance are located in the General Chapter 1 Volume, App. 1-2. There is no change to this information with this application.

This amendment is not considered a significant revision and therefore, no public notice was required.

Findings:

The information presented meets the requirements of the Regulations.

OPERATION PLAN

AIR POLLUTION CONTROL PLAN

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

Analysis:

The application indicates that a Notice of Intent was filed with the DEQ to increase the twelve month throughput from 5 million tons (MT) to 7MT. No further information was provided. A copy of the NOI was not included with the application. According to the DEQ, this application was filed on April 14, 2006.

A recent amendment to the MRP that was reviewed under Task 2705 indicated that increased area was required to allow for access around the 5 MT stockpile at the mine site, leading to discussion about the coal stockpile configuration. Questions asked during that review are pertinent to this discussion and are reiterated as deficiencies in this analysis. What is the height of the stacking tube? Given the height of the stacking tube and the angle of repose for coal and the bulk density of coal, what is the area required for two 7,500 stockpiles indicated on the process flow diagram in Figure 5-2 for the 5MT throughput? Given the limitations noted on Figure 5-2 for the crusher and loadout bin, will the stockpile size increase under a 7 MT throughput plan?

The 1999 Air Quality Order in the Mining and Reclamation Plan is outdated.

Findings:

Prior to approval, please provide the following information, in accordance with

R645-301-422, The Mining and Reclamation Plan has the 1999 Air Quality Approval Order and must be updated with the current Air Quality Approval Order.

R645-301-528, What is the height of the coal stacking tube? Given the height of the stacking tube and the angle of repose for coal and the bulk density of coal, what is the area required for the two 7,500 stockpiles that are indicated on Figure 5-2 Material Flow Diagram for the 5MT throughput? Given the limitations noted on Figure 5-2 for the crusher and loadout bin, will the stockpile size increase under a 7 MT throughput plan?

SUBSIDENCE CONTROL PLAN

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

TECHNICAL MEMO

Analysis:

Renewable Resources Survey

No survey was provided for the 40 acres. Plate 5-7 illustrates the angle of draw for extraction from the underground mine. A new landowner may potentially be impacted. That landowner's name is provided in Section 112.500 of the MRP as Gil L. Conover; 450 So. State; Ferron, UT 84523. The Permittee must conduct a pre-subsidence survey on all affected lands and provide the survey to the landowners, the water conservancy district and the Division.

Subsidence Control Plan

Performance Standards For Subsidence Control

Notification

Surface landowners immediately above the mine workings have been notified.

Findings:

Prior to approval, the following information must be provided, in accordance with:

R645-301-525.100, No survey was provided for the 40 acres. Plate 5-7 illustrates the angle of draw for extraction from the underground mine. A new landowner may potentially be impacted. That landowner's name is provided in Section 112.500 of the MRP as Gil L. Conover; 450 S. State; Ferron, UT 84523. The Permittee must conduct a pre-subsidence survey on all affected lands and provide the survey to the landowners, the water conservancy district and the Division.

RECOMMENDATIONS:

Approval is not recommended at this time.