

# TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

---

December 20, 2007

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: David Darby, Environmental Scientist III/Hydrologist/Lead

RE: Mine Permit Renewal, Dugout Canyon Mine, Canyon Fuel Company, LLC (CFC), Carbon County, Utah, C/007/0039, Task ID #2880, Internal File

## SUMMARY:

On November 13, 2007, Canyon Fuel Company, LLC applied to renew the Dugout Mine Permit, pursuant to the State Program. Issuance of the Coal Mine permit on March 16, 2003, carried with it the right of successive renewal, R645-303-230, within the approved boundaries of the existing permit, upon expiration of the term of the permit.

## TECHNICAL ANALYSIS:

### 230 Permit Renewal

#### 232. Application Requirements and Procedures

232.100 An application for renewal of a permit will be filed with the Division at least 120 days before expiration of the existing permit term.

CFC filed the application on November 13, 2007, at least 120 days before expiration of the existing permit term.

232.200 An application for renewal of a permit will be in the form required by the Division and include at a minimum:

The format of the application is in a form to insert into the approved Mining and Reclamation Plan.

**TECHNICAL MEMO**

---

- 232.220 Evidence that a liability insurance policy or adequate self-insurance under R645-301-800 will be provided by the applicant for the proposed period of renewal.

CFC provided a copy of the Certificate of Liability Insurance valid as of 7/30/07. The liability period runs from August 1, 2007 to August 1, 2008. The insurance exceeds the minimum amounts required by R645-301-890. It covers general aggregate, \$500,000.00; products, \$500,000.00; personal injury, \$300,000.00; fire damage \$50,000.00; medical expense, \$5,000.00. Blasting and explosives are not exempt. The certificate has been signed and identifies the Division of Oil Gas and Mining as a certificate holder of the insurance policy. The Division will receive written notice from the insurance company, at least 45 days, prior to cancellation or change in the policy.

- 232.230 Evidence that the performance bond in effect for the operation will continue in full force and effect for any renewal requested, as well as any additional bond required by the Division pursuant to R645-303-800.

St. Paul Fire and Marine Insurance Company issued a surety bond in favor of the Utah Division of Oil, Gas and Mining and the U.S. Office of Surface Mining. The Bond is effective May 18, 2000 and increased from \$3,300,000.00 to \$3,550,000.00, on July 31, 2007.

- 232.250 A copy of the newspaper notice and proof of publication of same, as required by R645-300-121.100

The Permittee supplied a draft of the public notice that was approved for publication by the Division. Vicky Miller stated an affidavit for the public notice will be provided, to the Division, after the notice runs in the newspapers for the required time period.

- 232.250 Additional, revised or updated information required by the Division.

The Permittee has committed to sore topsoil for reclamation of the Dugout Canyon Mine disturbed areas in T14S, R12E Section 8, a storage area permitted to Soldier Canyon Mine.

- 232.300 Applications for renewal will be subject to the requirements of public notification and public participation contained in R645-300-120 and R645-300.152.

**TECHNICAL MEMO**

---

A copy of the permit renewal application will be available for inspection at the Utah Division of Oil Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801 and Carbon County Courthouse, 120 East Main Street, Price Utah 84501.

The Public Notice identifies a 30-day comment after the last publication date of the notice. Written comments, objections or requests regarding the application are to be sent to the Utah Division of Oil Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801.

The address of the Applicant is, Canyon Fuel Company, LLc, 225 North 5<sup>th</sup> street, Suite 900, Grand Junction, Utah 84151.

232.400 If an application for renewal includes any proposed revisions to the permit, such revisions will be identified and subject to the requirements of R645-303-220.

There were no additional revisions during this renewal. All mine plan changes for the permit term have been incorporated into the MRP.

232.500 Irrespective of any other R645 rules requirements for permitting coal mining and reclamation operations, a Permittee may renew a permit for the purpose of reclamation only if solely reclamation activities remain to be done and no coal will be extracted, processed, or handled. Obligations established under a permit will continue regardless of whether the authorization to extract, process, or handle coal has expired, or has been terminated, revoked or suspended.

Operational activities are planned for the next 5-year permit renewal period.

**Findings:**

The information provided in CFC's Application for Permit Renewal meets the requirements of the regulations. All terms and conditions of the permit are being met.

**RECOMMENDATIONS:**

The submittal is recommended to be determined administratively complete.