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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
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### Division of Oil, Gas and Mining

JOHN R. BAZA  
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JK

June 20, 2008

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

Subject: Permit Area Expansion- 240 Acres, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Task ID #2958 (Previous Task ID #2873)

Dear Mr. Sass:

The Division has reviewed your application to expand the current Dugout Mine permit area to include an additional 240 acres located in Federal Coal Lease U-070674-027821. 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.

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.

Division biologist Joe Helfrich recommended approval of the application pending Section 7 consultation between the OSM and the USFWS.

The plans as submitted are denied. We are returning the copies of the amendment application with this letter. Please resubmit the entire application with the exception of the confidential information.

Sincerely,

James D. Smith  
Permit Supervisor

skc

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**Deficiency List**  
**Dugout Mine: 240-Acre Lease Expansion**  
**Task ID #2958 Deficiencies**

**Steve Christensen (SC)**  
**David Darby (DD)**  
**Joe Helfrich (JH)**  
**Wayne Western (WW)**

**Baseline Data Collection**

**R645-301-724:** The Permittee must address a discrepancy in the first paragraph of page 7-5 of the application. A reference is made to “the 600 acre expansion”. As the mine plan has changed with the removal of the 320-acre SITLA tract, this language should be revised. (SC)

**R645-301-724: R645-301-724:** The Permittee must provide a citation and/or reference for the ‘Perched Groundwater Systems’ discussion on pages 7-5 thru 7-7 in Chapter 7 of the application as well as on pages 6-8 of the Addendum to the PHC in Appendix 7-3. The discussion provided in both the Chapter 7 section the application and the PHC Addendum is identical. In order for the Division to accept the baseline groundwater information presented for the proposed permit expansion (without drilling data from the expansion area itself), the Permittee must provide a reference that supports the groundwater characterizations that are presented on the aforementioned pages.

At the end of the second complete paragraph of the discussion, the Permittee states, “As indicated in Appendix 7-3 and based on drilling data, large portions of the rock sequence overlying mining areas in the Dugout Canyon Mine area do not appear to be fully saturated in the vicinity of the Dugout Canyon Mine”. The first complete paragraph on page 7-6 of Section 7 (1<sup>st</sup> paragraph on page 7 of Addendum to PHC) concludes “As discussed above, the observation that the Castlegate Sandstone does not support many springs in the region and that much of the formation was dry when drilled supports these conclusions”. The Permittee should provide a reference to where this drilling data can be found and discuss why the data is indicative of the conditions found in the proposed permit expansion.

In general, the statements made as to the groundwater characterization of the proposed permit expansion area described in pages 7-5 thru 7-7 of Section 7 and pages 6-8 in the PHC Addendum need to be referenced. The Division can accept a scientifically justifiable explanation as to the groundwater characteristics of the area based on data from other locations. However, the Permittee must demonstrate why that data is indicative of the groundwater conditions in the proposed permit expansion area and provide a reference so the Division can verify the information. (SC)

**R645-301-724.200:** The Permittee provides the acquired field data from surface water monitoring site 323 in Appendix 7-2, *Groundwater Monitoring Data*. Appendix 7-2 of the approved MRP provides ground water data. The Permittee should amend the application so the surface water data is located in Appendix 7-7, *Surface Water Data*. (SC)

### **Probable Hydrologic Consequences**

**R645-301-728:** The Permittee must provide a discussion as to the probable hydrologic consequences of the proposed mining activity on the unnamed tributary to Cow Canyon Drainage in T13S, R13E, Section 17. Page 7-26 of the application states, "this tributary becomes perennial a short distance above Site 261". However, the application does not discuss any potential impacts to this drainage (either in terms of base flow impacts or surface interception). Based on the presented information, the perennial flow of the unnamed tributary to Cow Canyon is located within the potential subsidence boundary as depicted on Plate 5-7. (SC)

### **Subsurface Water Resource Maps**

**R645-301-722-100:** The application does not meet the Maps, Plans and Cross Sections requirements for Subsurface Water Resource Maps as required by R645-301-722.100. In section 722.100 on Page 7-2 of the application, a reference is made to Figure 7-1. Figure 7-1 does not appear to be in the application. The Permittee must address this discrepancy. (SC)

### **R645-301-731: Monitoring and Sampling Location Maps**

Plate 7-1, Hydrologic Monitoring Stations does not depict Spring #322 as being actively monitored. Plate 7-1 should be revised to depict Spring #322 as an active monitoring site. (SC)

### **Permit Area Boundary Maps**

**R645-301-521,** The Permittee must update the permit boundaries on all maps that show the permit boundary such as Plate 5-1. Without updating all the maps in the MRP a reader would not know which maps show the correct permit boundaries and which do not. (WW)

### **Subsidence Control Plan**

**R645-301-525.460 and R645-301-121.200,** The Permittee must update the map in Appendix 5-12 to reflect the current condition such as the permit expansion is 240 acres not 600 acres. The information on the map in Appendix 5-12 must be consistent with the information in Plate 5-7, for example the panels and dates that the panels will be mined as well as the subsidence boundaries are not the same. In addition, the Permittee must place information on the map in Appendix 5-12 that allows the reader to easily identify the location such as by placing township, range and sections locations. In addition, the

subsidence isopachs must be based on a general acceptable method of subsidence prediction and the supporting calculations must be included in the MRP. (WW)