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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070039
#3274
Q

June 11, 2009

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

Subject: Degas Wells G-25 and G-26, Canyon Fuel Company, LLC., Dugout Canyon Mine, C/007/0039, Task ID #3274

Dear Mr. Sass:

The Division has reviewed your application to construct degas wells G-25 and G-26 and determined that there are deficiencies that must be addressed before a determination can be made that the requirements of the R645 Coal Mining Rules have been met, and approval granted. The deficiencies are listed as an attachment to this letter.

In order to facilitate an expedient response to the deficiencies, the initials of each deficiencies author are provided so that your staff can communicate directly with that individual should questions arise.

The plans as submitted are denied. Please resubmit the entire application.

Please call me (801) 538-5262 or Steve Christensen (801) 538-5350 with any questions or concerns that you may have.

Sincerely,

James D. Smith
Permit Supervisor

JDS/SKC/sqs

cc: Price Field Office

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Deficiency List
Task No. #3274
Degas Wells G-25 and G-26

The members of the review team include the following individuals:

Priscilla Burton (PB)
Steve Christensen (SC)
Pete Hess (PH)
Ingrid Wieser (IW)

R645-301-121.100, The disturbed acreage figure on Plate 1-4 requires updating. (PB)

R645-301-121.200, Redraw Figure 2, Attach 5-2 for G-26 to correctly show the knoll in cross section A-A'. (PB)

R645-301-224, Provide laboratory analyses of soils salvaged and stockpiled from each site with the as-builts of the topsoil stockpiles. Since the Bk horizon will be half of the soil salvaged from G-25 and G-26, which is often is the case where topsoil is minimal, Section 243 should be reworded to state that state that the topsoil will include pH, EC, %CO₃ (**rather than total carbon**), SAR, water holding capacity, **fertility (N, P, K) analysis (rather than just nitrogen and phosphorus) and texture**. Please note that this list of analyses is different than that requested for waste rock. (PB)

R645-301-521- The Permittee must revise Plate 4, *Pace Canyon Road System*, of Attachment 5-4. The map depicts the locations of the degas wells and their associated access roads (both existing and constructed). The plate should be revised to clearly depict the locations of degas pads G-25 and G-26 and how they are accessed. (SC)

R645-301-830.140, Detailed Estimated Cost Sheets, the Permittee must submit a revised line item cost estimate for material for hay mulch one inch deep applied over a one acre area (bond estimate pages 84 and 85). (PH)

R-645-301-120: Please include incorporated changes from all approved amendments that occurred since November 4, 2008. (IW)

R645-301-321.100: Please update page 3-5 to reflect the production estimate made by Dean Stacy (NRCS) on June 16, 2008 for site G-25. (IW)

The NRCS letter dated June 16, 2008 regarding production does not include a production estimate for proposed site G-26. Please include a production estimate for this site from the NRCS. (IW)

R645-301-322.210 Please update attachment 3-2 to include a current list of Utah state's threatened, endangered or sensitive species. As described on page 3-10, please provide a justification as to why each species is not found within the proposed drill areas.

Please include a narrative explaining the proximity of bat habitat and survey areas to the proposed degas wells G-25 and G-26. (IW)

R645-301-323: Please update figure 3-1 to include proposed sites G-25 and G-26. (IW)

R645-301-333 Please include the two proposed degas well sites in section 333 Plan to Minimize Disturbances and Adverse Impacts specifically regarding Northern Saw Whet Owls which have been identified by previous surveys near the proposed sites. Include the date of proposed activity in relation to seasonal buffers identified in the U.S. Fish and Wildlife Guidelines for Raptor Protection. (IW)

R645-301-356: Page 3-13 of the amendment states that proposed site G-25 will be compared to the Aspen/ Maple/Douglas Fir reference area. Please amend this to reflect Mr. Collins' recommendations of success standards found in the vegetation inventory in attachment 3-1. (IW)