

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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September 13, 2010

TO: Internal File

THRU: Jim Smith, Permit Supervisor *JAS 9/13/10*

FROM: Steve Christensen, Environmental Scientist *SCC*

RE: Midterm Permit Review, Canyon Fuel Company, Dugout Canyon Mine, Permit # C/007/0039 and Project #3592.

### SUMMARY:

On July 15<sup>th</sup>, 2010, Canyon Fuel Company (the Permittee) was notified that the Division of Oil, Gas and Mining (the Division) had commenced a mid-term permit review. The Division notified the Permittee that the following items would be reviewed:

1. A review of the mine plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and Permittee initiated plan changes are appropriately incorporated into the mine plan document.
2. A review to ensure that the mine plan has been updated to reflect changes in the Utah Coal Regulatory Program that have occurred subsequent to permit approval (example: compliance with U.S. Fish and Wildlife Department - Colorado River Endangered Fish Recovery Program).
3. A review of the applicable portions of the permit to ensure that the mine plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
4. An AVS check to insure that Ownership and Control information is current and correct, verify compliance status of unabated enforcement actions, determine status of any outstanding finalized penalties, and verify that there are no demonstrated patterns of violation.

5. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate current-year dollars.
6. A review of the mining and reclamation plan for compliance with operator commitments related to variances or special permit conditions (including but not limited to subsidence control/monitoring plans and reporting requirements, variances to AOC, experimental practices, electronic database water monitoring reporting, raptor surveys, revegetation test plots, etc.).
7. The Division may conduct a technical site visit, in conjunction with the assigned compliance inspector, to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

The following is a technical review of the administrative and sediment control/hydrology aspects of the mining and reclamation plan (MRP).

No deficiencies were identified during this technical review. At this time, no additional information is required from the Permittee.

**TECHNICAL ANALYSIS:**

**GENERAL CONTENTS**

**VIOLATION INFORMATION**

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

**Analysis:**

Page 1-6 of the approved MRP provides a reference to Table 1-2 of the General Chapter 1 binder for Canyon Fuel Company, LLC (prepared for the Dugout Canyon Mine, Soldier Canyon Mine and Banning Load Out operations).

Table 1-2, Three Year Violation History of Mining and Reclamation Operations indicates that no violations have been issued by the Division since the permit renewal. According to Division records, this is accurate.

Additionally, a recent Application Violator System (AVS) search produced no results for the Dugout Canyon Mine facility relative to outstanding or unabated violations.

**Findings:**

The currently approved Violation Information meets the requirements of the State of Utah R645-Coal Mining Rules.

**RIGHT OF ENTRY**

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

**Analysis:**

Beginning on the bottom of page 1-6 of the approved MRP, the Permittee provides a detailed description of the leases conferred to Canyon Fuel Company (the lessee) by the Mineral Leasing Act of 1920. Copies of State Coal Leases ML-42648 and ML-42649 and Federal Lease U07064-027821 are provided in Appendix 1-1 of the MRP.

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Plate 1-1, Surface Ownership, depicts the surface owners within the Dugout Canyon Mine's permit and adjacent area. Plate 1-2, Coal Ownership, depicts the various coal owners within the Dugout Canyon Mine's permit and adjacent area.

**Findings:**

The currently approved Right of Entry information meets the requirements of the State of Utah R645-Coal Mining Rules.

**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:**

On page 1-12 of the MRP, the Permittee discusses the status of unsuitability claims. According to the Permittee, no portion of the area to be permitted/mined is designated or under study for a potential designation as unsuitable for mining.

Additionally, the Permittee does not propose to conduct coal mining or reclamation operations within 300 feet of any occupied dwelling. A description of operations to be conducted within 100 feet of a public road is described in Chapter 5 of the MRP.

**Findings:**

The currently approved Legal Description and Status of Unsuitability Claims meet the requirements of the State of Utah R645-Coal Mining Rules.

**PERMIT TERM**

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

**Analysis:**

A reclamation permit was issued on March 16<sup>th</sup>, 2008. The anticipated mining progression during the operation of the Dugout Canyon Mine is depicted on Plate 5-7. A discussion of reclamation operations is discussed in Chapters 2, 3, 5, 7 and 8.

## **Findings:**

The currently approved Permit Term meets the requirements of the State of Utah R645-Coal Mining Rules.

# **OPERATION PLAN**

## **HYDROLOGIC INFORMATION**

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

## **Analysis:**

### **Ground and Surface Water Monitoring**

The Permittee has submitted all required ground and surface water monitoring data to the EDI database on a quarterly basis as outlined in the approved MRP in Table 7-4, *Groundwater Monitoring Program* and Table 7-5, *Surface Water Monitoring Program*.

Plate 7-1, *Water Monitoring Stations*, depicts the current ground and surface water monitoring locations within and adjacent to the permit area.

### **Sediment Control Measures**

On August 25<sup>th</sup>, 2010, Division staff conducted a mid-term site visit. The sediment control measures utilized at the main mine facility as well as at several methane degasification sites were observed.

The main mine facility utilizes a series of drainage ditches, sediment traps and a single sedimentation pond to prevent additional contributions of sediment outside of the permit area. During the time of the August 25<sup>th</sup> inspection, the disturbed drainage system was observed to be in working order. No signs of excessive sedimentation or coal fine deposition were observed within the Dugout Creek drainage downstream from the sediment pond.

The Permittee utilizes a number structures/techniques to control erosion at the numerous gob gas vent hole sites. Structures used for runoff control at these sites include containment berms, silt fences, pocking/seeding, diversions and culverts.

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**Findings:**

The currently approved Sediment Control Measures meet the requirements of the State of Utah R645-Coal Mining Rules.

**RECOMMENDATIONS:**

Additional information/revisions to the currently approved MRP (relative to Administrative, Hydrology and Sediment Control Measures) are not required at this time.

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