



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 5, 2016

Kirt Tatton, General Manger
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Subject: Midterm Completion Response, Dugout Canyon Mine, C/007/0039, Task ID #5029

Dear Mr. Tatton:

The Division has reviewed your response to the recently conducted midterm permit evaluation of the Dugout Canyon Mine. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. Please resubmit the entire application by March 11, 2016.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

A handwritten signature in blue ink that reads "Daron R. Haddock".

Daron R. Haddock
Coal Program Manager

DRH/SC/sqs
O:\007039.DUG\WG5029 MIDTERM RESPONSE\WG5029Defl.tr.doc



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 MICHAEL R. STYLER
Executive Director
 Division of Oil, Gas and Mining
 JOHN R. BAZA
Division Director

Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070039
TaskID: 5029
Mine Name: DUGOUT CANYON MINE
Title: MIDTERM COMPLETION RESPONSE

Environmental Resource Information

Fish and Wildlife Resource Information

Deficiencies Details:

Information provided in the application is not considered adequate to meet the minimum requirements of the regulations. The permittee must amend the MRP (Chapter 3, Appendix 3-3 and Attachment 3-2) to include a current T&E species list. Species that are currently listed and not analyzed in the MRP include the Western Yellow-Billed Cuckoo (Threatened). The Mexican spotted owl is also listed but has been adequately addressed in the Degas Volumes of the MRP. The Greater sage-grouse is a state sensitive species that requires additional protection measures pursuant to R645-301-322.320 and 322.230.

Irreinhart

Operation Plan

Fish and Wildlife Protection and Enhancement Plan

Deficiencies Details:

R645-301-333. The Permittee shall provide a description of how mining operations will not impact any Threatened or Endangered Species, specifically Western Yellow Billed Cuckoo. The Permittee has satisfied this requirement for the Mexican Spotted Owl. IF the Permittee can demonstrate that Western Yellow Billed Cuckoo habitat does not exist within the permit area using USFWS protocol, this requirement shall be void.

R645-301-330. The MRP must be amended to include a plan for protection of greater sage-grouse.

R645-301-322.220. The raptor surveys must be conducted according to commitments made in the MRP. If subsidence is not occurring due to mining methodology, the surveys should provide such explanation. Maps must illustrate where nest locations are in relation to areas of subsidence (both past and future).

Irreinhart

Hydrologic Ground Water Monitoring

Deficiencies Details:

R645-301-731 The operational groundwater monitoring section of Chapter 7 (section 731.200) must be updated to reflect

the discontinued monitoring of GW-11-2. Plate 7-1 should also be updated to reflect the changes to the monitoring program. |

adaniels

Reclamation Plan

Bonding Determination of Amount

Deficiencies Details:

R645-301-830.140: The Permittee was not able to get a hold of 2015 Equipment Watch Blue Book Rental and was not able to update the unit costs of the equipment. The Division will work with the Permittee to provide the line item costs for the re-submittal of the midterm.

cparker