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ACT/015/004
#3

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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November 15, 1995

Paige Beville, Manager
Environmental, Health and Safety
ARCO Coal Company
555-17th Street, Room 2170
Denver, CO 80202

RE: Phase II Bond Release, Huntington #4 Mine, Mountain Coal Company, ACT/015/004, Folder #3 and Permit Binder, Emery County, Utah

Dear Ms. Beville:

The Phase II bond release for the Huntington #4 Mine is approved (see attached Decision Document.) This bond release had been conditionally approved March 20, 1995 upon removal of the sediment pond. The pond removal was completed in September 1995 with a subsequent stream alteration approved on October 18, 1995.

Therefore, the reduction of the reclamation bond amount from $144,041 to $46,734 is granted.

Sincerely,

Lowell P. Braxton
Associate Director, Mining

Enclosure
cc: Pamela Grubaugh-Littig
Daron Haddock (w/o enclosure)
Joe Helfrich (w/o enclosure)
Price Field Office

DECISION DOCUMENT
PHASE II BOND RELEASE
HUNTINGTON #4 MINE
ACT/015/004

SUMMARY OF THE REVIEW PROCESS

The Huntington #4 Mine is a reclaimed underground coal mine located in Mill Fork Canyon, a tributary of Huntington Canyon , approximately 35 road miles southwest of Price, Utah . The permit area is located on the Rilda Canyon, Utah, U.S. Geological Survey 15 minutes quadrangle map. The Huntington #4 Mine is located on the same surface area used by the Leamaster Mine in the early 1940's. The Helco and Skeen Mines also operated in Mill Fork Canyon in the 1940's. All three mines were abandoned without clean-up or reclamation. The Huntington #4 Mine started production in early 1977 and was active off and on until October 1984.

The permit area is located on the eastern edge of the Wasatch Plateau and is characterized by a steep, narrow canyon with sandstone cliffs. The mine site itself is in a Pinion woodland interspersed with salina wildrye and sagebrush vegetation. The permit area cover 1,320 acres with the disturbance limited to about 25 acres. The mine site is located on privately owned land within the boundaries of the Manti La Sal National Forest. Coal was mined from both fee ownership and federal leases.

Mine site reclamation included portal seals, structural removal, coal waste removal, backfilling, grading and revegetation. The Huntington #4 Mine completed Phase I reclamation during the period of August 15, 1985 through September 30, 1985. The original bond posted for this property was $360,104. Application for a Phase I bond release was made in February 1986. The Division approved a 60% bond release ($216,062) on November 10, 1986.

The Mountain Coal Company submitted a Phase II bond release application to the Division for the Huntington #4 Mine on December 13, 1994 including a SEDCAD analysis and vegetative information. Mountain Coal Company requested release of an additional 30% of the original bond, or $108,301.20 for the Phase II bond release.

The Phase II bond release inspection was conducted on May 18, 1994 with personnel from the Division, OSM-Albuquerque Field Office, OSM- Western Support Center, Manti La Sal Forest Service, and Mountain Coal Company in attendance.

FINDINGS FOR PHASE II BOND RELEASE
HUNTINGTON #4 MINE
ACT/015/004

Public Notice for Phase II Bond Release

In accordance with R645-301-880.120 and 200, the Mountain Coal Company published the newspaper advertisement for the Phase II bond release in the Sun Advocate on September 21, 28 and October 5 and 12, 1993. The Division scheduled the Phase II bond release inspection for May 18, 1994 by sending letters on April 22, 1994. This inspection was scheduled when weather permitted for inspection and evaluation of the reclamation work involved.

The Phase II bond release inspection was conducted on May 18, 1994 with the following attendees:

DOGM:	Susan White, Tom Munson, Henry Sauer, Pamela Grubaugh-Littig
OSM-AFO:	Edzel Pugh and Russ Porter
OSM-WSC:	Daylan Figgs and Phil Reinholtz
Manti La Sal FS:	Carter Reed, Dennis, Kelly, and Bob Thompson
Mountain Coal Company:	Dan Guy and Dana Ballard (Blackhawk Engineering), Carol Bjork (Earthfax)

Vegetation Data for Phase II Bond Release

Mountain Coal Company notified the Division of its intent to conduct vegetation sampling on July 29 through July 31, 1993 for Phase II bond release. The Division subsequently notified OSM and invited them to conduct their own sampling. Division vegetation sampling was completed on August 6 and 10, 1993.

Mountain Coal Company sampled for vegetative cover and woody species density. Vegetative cover and woody species density met the Division's requirement for sample adequacy while production measurements were only taken to provide guidance to Mountain Coal Company for final bond release. Mountain Coal Company summarizes the statistical differences in the data in Table 33 of the vegetation report for bond release. The report finds that the reclaimed area is either significantly greater than or equal to the vegetation reference area for vegetative cover and

woody plan density.

The Division sampled only for vegetative cover on the reclaimed mine site and the reference area. Vegetation composition and diversity data were obtained from the cover data. The Division also found that the reclaimed area was either significantly greater than or equal to the vegetation reference area.

Statgraphics, Version 6 (1992) was used for all of the statistical analysis. The Division found no significant difference between the vegetation on the lower pad area and the reference area. Data from the Division and Mountain coal Company indicate the same statistical conclusion. According to the Division's definition of successful revegetation establishment, Huntington #4 Mine has met the minimum qualification for the vegetation cover portion of Phase II bond release. R645-301-356.120 states that the reclaimed area only has to meet 90 percent of the success standard. All of the statistical conclusions used in this analysis were based on 100 percent of the standard. This fact provides greater confidence for Phase II bond release at this site. All of this information was forwarded to OSM-AFO on May 5, 1994, prior to the bond release inspection.

A final report by Division Biologist, Susan White, was done July 7, 1994 subsequent to the Phase II bond release field inspection and recommended Phase II bond release pursuant to R645-301-880.320.

Contribution of Additional Suspended Solids

An analysis related to past and present erosion rates from reclaimed mine sites were submitted by Mountain Coal Company using a Sediment Production Comparison generated by the Civil Software Design SEDCAD + Program, Version 3 (1992). The runoff volume, peak flow and sediment concentration were compared between past and present activities. Initial results of this computer analysis indicated that the sediment loads from the reclamation activities are no different than the pre-mining conditions. This information was forwarded to OSM-AFO on May 5, 1994.

The Universal Soil Loss Equation used in SEDCAD does not allow for gully erosion and an on-site assessment was made to ascertain any significant rill or gully erosion. This field assessment was made May 18, 1994. Based on visual observation by the Division Hydrologist, Tom Munson, he concluded and the Division find that the site was stable. A Phase II bond release was recommended based on the outcome of the site visit observation and the Sediment Production Comparison for pre- and postmining pursuant to R645-301-880.320, as well as reviewing past inspection report to document overall stability. The site has sustained several severe

storm events successfully.

This Phase II bond release encompasses the entire surface disturbance for the Huntington #4 Mine.

Remaining Reclamation

Remaining reclamation at the Huntington #4 Mine includes the removal of the pond. This is proposed to be removed in 1995. Reclamation was completed in 1995 and the ten year bond liability period begins in 1995. Mountain Coal Company started collecting the requisite vegetative information for two years for final bond release in 1994.

Other Actions Surrounding Bond Release Inspection

Lowell Braxton sent a letter to Thomas Ehmett, dated July 6, 1994 stating that, "no TDN's were issued as a function of the Phase II bond release inspection and the Division has received no correspondence from OSM suggesting a lack of concurrence with the Phase II bond release, and therefore, requests a written confirmation supportive of the Phase II bond release application." On July 18, 1994 TDN X94-020-179-003 was received at the Division for "failure to eliminate all highwalls at the Huntington #4 Mine", as a result of the May 18, 1994 Phase II Bond Release inspection. The Division submitted a response to OSM-AFO for this TDN on July 28, 1994. On September 21, 1994 OSM found the July 28, 1994 TDN response appropriate.

On August 22, 1994 Lowell Braxton sent a letter to Thomas Ehmett requesting comments on any other outstanding issues at the Huntington #4 Mine. No comments on any technical issues related to the Phase II bond release have been received to date.

On November 2, 1994 the findings and chronology for the Phase II bond release were forwarded to OSM-AFO. By letter dated November 23, 1994, OSM-AFO requested a Decision Document for the Phase II bond release for Huntington #4 Mine.

On February 15, 1995 a letter of concern from Aaron Howe (Acting Forest Supervisor, Manti La Sal) to Thomas Ehmett (Field Office Director, OSM-AFO) stated that there was concern about whether or not the reclamation of the pond was included in the calculation of the remaining bond, but agreed that the pond was no longer needed.

A letter from Thomas Ehmett (OSM-AFO) on March 9, 1995 to Lowell P. Braxton, concurred with the Division decision to reduce the bond from $144,041 to $46,734.

On March 20, 1995, the Division conditionally approved the Phase II bond release for the Huntington #4 Mine upon satisfactory removal of the sedimentation pond.

A memo to file from Susan White to Pamela Grubaugh-Littig, dated November 6, 1995, stated that the sediment pond removal was completed in September 1995. A stream alteration permit was issued October 18, 1995 and all work associated with the permit was approved in a letter dated October 18, 1995 from the Division of Water Rights. The Forest Service found the pond removal acceptable in a letter to the Division dated September 18, 1995. Susan White, Division inspector at this mine, inspected the work and found that all work associated with the pond removal had been completed in an acceptable manner.

Decision for Phase II Bond Release

Based on the documented findings that: 1) Vegetation has been established pursuant to R645-301-880.320, and 2) No reclaimed lands at the Huntington #4 Mine are contributing additional suspended solids to streamflow or runoff outside the permit area in excess of the requirement set by UCA 40-10-17 (j) of the Act and by R645-301-751, the Division proposes to release $97,307. Additionally, the pond has been removed in an acceptable manner.

The remaining $46,734 represents the amount of bond retained for the revegetated area which would be sufficient to cover the cost of reestablishing revegetation if completed by a third party.