

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

November 25, 2009

TO: Internal File

THRU: Steve Christensen, Team Lead *SCC*

FROM: Priscilla Burton, Environmental Scientist III *PWB by JCS*

RE: Mid-term Review, Consolidation Coal Co., Hidden Valley Mine, Permit # C/015/0007. Task #3410

SUMMARY:

A mid-term review was initiated on June 4, 2009 as required by R645-303-211. Task 3302 outlined several administrative deficiencies that have been addressed in redline strikeout format by this amendment to the MRP. Conditional approval should be given, based upon receipt of "clean copies".

The information provided brings the Permittee into compliance with the statements made in the MRP and removes and timeline for reworking the A seam side. The mine has been in reclamation status for 22 years and the Permittee holds a reclamation only permit (Section 2 of the Permit dated January 29, 2007). This may impact future permitting actions.

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TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Legal, Financial information in Chapter 1 Part 1 of the Hidden Valley MRP has been updated. Consolidation Coal Company is wholly owned by CONSOL Energy Inc. which is a publicly traded company. The officers and directors of CONSOL Energy Inc are provided in Appendix 1 of Chapter 1. These officers are listed in the AVS database for this interstate company.

The Utah mining permit was issued to Consolidation Coal Co. at their Sessor, Illinois address that is listed in the the MRP for the mine operator.

Findings:

The information provided meets the ownership and control requirements of the regulations.

VIOLATION INFORMATION

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

Analysis:

Chapter 1, App. I-IV, violation information was recently updated with the permit renewal on January 29, 2007.

Findings:

The information provided meets the requirements of the Utah 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:

The Hidden Valley Mine permit (issued January 2007) describes a permit area of 960 acres. The permit area is in T23S, R6E Sections 17 & 18. Chapter 1, Attachment C, provides a listing of surface and subsurface ownership that is also portrayed on the Surface and Coal Ownership map.

According to the cover letter attached to this amendment, long range plans include mining of the A seam in currently held leases. There are no pending bids on adjacent leases.

Findings:

The information provided meets the requirements of the regulations.

PERMIT TERM

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

Analysis:

A reclamation permit was issued January 29, 1987. Amendment 97B to the MRP was approved September 22, 1997. Reclamation activity on the B seam side of the site commenced in 1997. Phase I bond release was given on June 17, 1988. Page 2 of the 97B amendment indicates that the A seam side would be reclaimed in a similar manner within a couple of years, depending upon success of the first Phase (B seam side).

In 2005, Consolidation Coal Co. stated that the reclamation of the A seam side would depend upon the decision by the Board of Directors whether portal development would be pursued through the A seam (Inspection Report #787). Exploratory wells were drilled in 2006. This amendment to the MRP removes the timeline for reclamation of the A seam side and states that no reclamation work will be done during the remainder of the permit term. The cover letter

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accompanying this amendment states that the long range plan is to develop the A seam, but that market conditions are not satisfactory.

Findings:

The information provided brings the Permittee into compliance with the statements made in the MRP. The mine has been in reclamation status for 22 years and the Permittee holds a reclamation only permit (Section 2 of the Permit dated January 29, 2007).

STABILIZATION OF SURFACE AREAS

Regulatory Reference: 30 CFR Sec. 817.95; R645-301-244.

Analysis:

The cover letter with this amendment states that sediments controls will be maintained while the A seam remains in an idle state for the remainder of the permit term.

Findings:

The information provided meets the requirements for sediment control performance standards.

RECOMMENDATIONS:

Conditional approval pending receipt of "clean copies" is recommended.

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