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DEPARTMENT OF NATURAL RESOURCES

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May 6, 2020

Brian Fredrickson, President
Bronco Utah Operations, LLC
P.O. Box 527
Emery, Utah 84522

Subject: Permit Area Reduction, Bronco Utah Operations, LLC, Hidden Valley Mine, C/015/0007, Task #6127

Dear Mr. Fredrickson:

The Division has reviewed your application. 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. The plans as submitted are denied. Please resubmit the entire application.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Coal Program Manager

SKC/sqs

cc: John Gefferth
Kit Pappas

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150007
TaskID: 6127
Mine Name: HIDDEN VALLEY MINE
Title: PERMIT AREA REDUCTION

Summary

The current disturbed area is shown on Plate III-1. A 960 acre permit boundary is shown on Reclamation Agreement Ex A Bonding map, Plate 1b. This amendment reduces the permit boundary to 840 acres, as shown on revised Plate 1. On Chapter 1 page 3 and on Chapter 3 page 8, the 840 acres is described as follows:

Township 23 South, Range 6 East, S.L.B.M. Section 17; W1/2

Section 18: S1/2, W1/2NW1/4, SE1/4NW1/4, SW1/4NE1/4, SE1/4NE1/4

This action should not be taken until the revised permit area is made clear, with regard to the bonded area, as explained in the following technical analysis.

pburton

General Contents

Right of Entry

Analysis:

This amendment does not meet the State of Utah R645 requirements for General Contents: Right of Entry Information.

C2 Form indicates replacement of Plate 1A with Revised Plate 1. (Plate 1A is a plate that is a separate file from the MRP document.) This action should not be taken until the coal ownership information on Plate 1 is made clear.

1. Current Plate 1A shows 100% fee coal ownership in Section 18 and W/2 Sec 17. Revised Plate 1 shows that Bronco leases the coal in Sections 17 & 18. i.e. B(CL). If coal is leased, then revised Plate 1 must list the coal lease numbers and provide ROE. If coal is owned by Bronco, then B(C) should be indicated.

2. Revised Plate 1 does not agree with information in MRP Appendix II Attachment C Coal Ownership, which states that only the E/2 Sec 18 is BLM coal. If Attachment C is current then, Plate 1 should indicate B(C) on the W/2 Sec 18 and B

(CL) on the E/2 Sec 18, with the lease number. And, if revised Plate I is correct that Bronco leases the coal in Sec 17, then Attachment C should indicate ownership and lease number in Sec 17.

3. A private coal lease included in the MRP (pdf pp 220-235) states that all the coal is fee coal in Section 18 and Section 17. Assuming the lease transferred hands with the mining permit, then revised Plate I should show B(C) for all of Section 18 and Section E/2 Sec 17. However, the lease expired in 2007. If this lease was renewed then a renewed or conveyed lease must be provided for Right of Entry. If this lease was not renewed or conveyed then Plate I coal ownership should be revised accordingly.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Right of Entry. The following deficiencies must be addressed prior to final approval:

R645-301-114, **(1)** Current Plate 1A shows 100% fee coal ownership in Section 18 and W/2 Sec 17. Revised Plate 1 shows that Bronco leases the coal in Sections 17 & 18. i.e. B(CL). If coal is leased, then revised Plate 1 must list the coal lease numbers and provide ROE. If coal is owned by Bronco, then B(C) should be indicated. **(2)** Revised Plate 1 does not agree with information in MRP Appendix II Attachment C Coal Ownership, which states that only the E/2 Sec 18 is BLM coal. If Attachment C is current then, Plate 1 should indicate B(C) on the W/2 Sec 18 and B (CL) on the E/2 Sec 18, with the lease number. And, if revised Plate I is correct that Bronco leases the coal in Sec 17, then Attachment C should indicate ownership and lease number in Sec 17. **(3)** A private coal lease included in the MRP (pdf pp 220-235) states that all the coal is fee coal in Section 18 and Section 17. Assuming the lease transferred hands with the mining permit, then revised Plate I should show B(C) for all of Section 18 and Section E/2 Sec 17. However, this lease expired in 2007. Therefore a renewed or conveyed lease must be provided for Right of Entry, if this lease was renewed. If this lease was not renewed or conveyed then Plate I coal ownership should be revised accordingly.

pburton

Environmental Resource Information

Historic and Archeological Resource Information

Analysis:

The amendment meets the State of Utah R645-301-411 requirements for Historic and Archeological Resource Information. There are three known cultural resource sites in, or partially in, the permit reduction area that are eligible for the National Register of Historic Places. These sites are 42EM3596, 42EM3597, and 42EM3598. This information has been sent to DOGM's minerals regulatory program and they have obtained SHPO concurrence for the Miracle Rock project they are permitting.

tmiller

Maps Permit Area Boundary

Analysis:

The amendment does not meet the State of Utah R645 requirements for Permit Area Boundary Maps.

Comparing the revised Plate I to Plate III-1 (a stand-alone plate separate from Chapter III Plate I), it is apparent that 6.7 acres of disturbed bonded area extends into the area proposed for removal from the permit area. Plate III-1 shows that the bonded area includes the 2.5-acre road and parking area which culminates in the NE/4 NE/4 of Sec 18. The parking area and beginning of the road are shown as being relinquished on revised Plate 1. If this small area is relinquished with this amendment, then the bonded disturbed area should decrease accordingly and a Phase III bond release for the seeded road is required. Additionally, Permittee must provide a new permit area bonding map 1b reflecting a reduction from 960 acres to 840 acres.

Deficiencies Details:

The amendment does not meet the State of Utah R645 requirements for Permit Area Boundary Maps. The following deficiency must be addressed prior to final approval:

R645-301-521.141, -121.200: Permittee must address the discrepancy between revised Plate 1 and Plate III-1 either by

accomplishing Phase III bond release for the 2.5-acre road and parking area shown on Plate III-1, or by submitting a new revised Plate 1 that cuts out the 2.5-acre parking lot and road. Additionally, a new permit area bonding map 1b must also be provided that reflects the new acreage reduction.

jeatchel

Operation Plan

Hydrologic Transfer Wells

Analysis:

The application does not meet the State of Utah R645 requirements for Hydrologic: Transfer Wells.

The Permittee submitted an amendment of the Hidden Valley MRP to reduce the permit area by 120 acres to accommodate a minerals mining operation (Miracle Rock). As part of this amendment, the Permittee has revised Plate IVa, a plate that indicated the location of older drill holes DH-1 thru DH-7 and three more modern drill holes HV-06-01 thru -03 that were completed in 2006. However, as this plate was revised only drill holes from the HV-06 series were included on the drawing. Plate IVa must clearly display all holes drilled. Reclamation status of each drill hole should also be indicated on the drawing as well as any associated water rights.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Hydrologic: Transfer Wells. The following deficiency must be addressed prior to final approval:

R645-301-731.400 Plate IVa must be corrected to display all completed drill holes and their reclamation status. The plate should also contain any associated water rights.

adaniels

Reclamation Plan

Maps Bonded Area

Analysis:

The amendment does not meet the State of Utah R645 requirements for Bonded Area Maps.

Comparing the revised Plate I to Plate III-1 (a stand-alone plate separate from Chapter III Plate I), it is apparent that 6.7 acres of disturbed bonded area extends into the area proposed for removal from the permit area. Plate III-1 shows that the bonded area includes the 2.5-acre road and parking area which culminates in the NE/4 NE/4 NE/4 of Sec 18. The parking area and beginning of the road are shown as being relinquished on revised Plate 1. If this small area is relinquished with this amendment, then the bonded disturbed area should decrease accordingly and a Phase III bond release for the seeded road is required. Additionally, Permittee must provide a new permit area bonding map 1b reflecting a reduction from 960 acres to 840 acres.

Deficiencies Details:

The amendment does not meet the State of Utah R645 requirements for Bonded Area Maps. The following deficiency must be addressed prior to final approval:

R645-301-820.113, -121.200: Permittee must address the discrepancy between revised Plate 1 and Plate III-1 either by accomplishing Phase III bond release for the 2.5-acre road and parking area shown on Plate III-1, or submitting a new revised Plate 1 that cuts out the 2.5-acre parking lot and road. Additionally, a new permit area bonding map 1b must also be provided that reflects the new acreage reduction.

jeatchel