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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

June 20, 1988

Mr. Nathan Atwood
Co-Op Mining Company
P. O. Box 1245
Huntington, Utah 84528

Dear Mr. Atwood:

Re: Review of Request to Convert Minor Underground Cave-In to
Emergency Escapeway and Ventilation Portal, Co-Op Mining
Company, Bear Canyon Mine, ACT/015/025-87A, Folder #2, Emery
County, Utah

Attached is a Technical Review Memo from Pamela Grubaugh-Littig, Reclamation Engineer. She has completed a review of the material submitted April 20, 1988. As you will note, this issue has been on-going since May 9, 1987 and is still unresolved. Several of the issues raised in the Division's December 8, 1987 letter to Co-Op Mining Company were not responded to adequately in the April 20, 1988 submittal. As a result, the Division hereby directs Co-Op to respond completely and adequately to every issue identified in the attached memo dated May 23, 1988 by July 15, 1988. Failure to comply may result in enforcement action from the Division.

Please feel free to contact me or Pamela Grubaugh-Littig if you should have any questions in regards to this matter.

Sincerely,

A handwritten signature in cursive script that reads "John J. Whitehead".

John J. Whitehead
Permit Supervisor/
Reclamation Hydrologist

djh
Attachment(s)
cc: E. Kingston
P. G.-Littig
J. Helfrich

0800R/63



355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

May 23, 1988

TO: John J. Whitehead, Permit Supervisor

FROM: Pamela Grubaugh-Littig, Reclamation Engineer *pal*

RE: PAP Amendment, Request to Convert Minor Underground Cave-In to Emergency Escapeway and Ventilation Portal, Submitted April 20, 1988, Co-Op Mining Company, Bear Canyon Mine, ACT/015/025-87A, Emery County, Utah

Synopsis

Letter dated May 9, 1987 from Mel Coonrod notified the Division of a "Cave-to-Surface" area in the Bear Canyon Seam. Since that notification letter, a Division site visit was done May 19, 1987, and a technical review memo was written by me dated May 21, 1987. A conditional approval letter was sent to the operator September 28, 1987, to which the operator resubmitted information on November 9, 1987. I wrote a technical review memo December 1, 1987 and a deficiency letter was sent to the operator on December 8, 1987. The operator has resubmitted more information, April 20, 1988, which is the subject of the current review.

Analysis

The operator only partially answered questions outlined in the deficiency letter to Co-Op Mining dated December 8, 1987. The deficiencies are enumerated as per the December 8, 1987 letter:

#1 - Adequate (Appendix 3-J)

#2 - Appendix 3-J erroneously states that "A D-2 dozer will push large panels of coal into the portal for a minimum distance of 40' then install a seal". The Division requires at least 25 feet of incombustible material will be backfilled inby the portal. The reclamation plan must be revised to meet this regulation.

The cost for reclamation of this amendment is mentioned on page 3-142 as \$13,639 but not added to the cost estimate. This cost must be added to the reclamation cost estimate [page 3-109] and added with appropriate escalation rates and then the Irrevocable Letter of Credit adjusted accordingly. (See item #3, i through k).

#3 - The list of numerous errors and contradictions were not addressed. I assigned each paragraph a letter - "a" through "k" for quicker reference to the December 8, 1987 deficiency document.

- o a - not addressed
- o b - not addressed
- o c through g - The portal narrative on page 3-1A needs to be consistent with Plates 2-2 and 3-4A. These plates were not submitted with the April 20, 1988 response.
- o h - Page 3-20 and Plate 2-2 were not submitted. Not addressed.
- o i through k - The reclamation cost for this portal was mentioned as \$13,639, but was not added to the entire estimate. Co-Op should add the following costs to the reclamation cost estimate.

The cost of \$13,639 plus a 10% contingency of \$1,364 equals \$15,003 to be added.

\$240,176 - (1986 dollars)
15,003 - (Cost to reclaim portal in 1986
dollars)
\$255,179 - 1986 Dollars

ESCALATED VALUES

ESCALATION FACTOR

\$255,179	1986 dollars	2.9% (actual)
\$262,580	1987 dollars	2.1% (actual)
\$268,093	- 1988 dollars	2.3% (estimate)
\$274,260	- 1989 dollars	2.3% (estimate)
\$280,567	- 1990 dollars	

Currently, Co-Op has posted \$261,122 for the Bear Canyon Mine. The operator must increase the Irrevocable Letter of Credit (LOC #011 at Guardian State Bank) to the amount of \$280,567 (1990 dollars).

Recommended Action

The submittal is inadequate (as outlined above) and approval denied.

PGL/as
9075R/56-59