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State of Utah
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DIVISION OF OIL, GAS AND MINING

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October 5, 1993

TO: James W. Carter, Director
Lowell P. Braxton, Associate Director, Mining

FROM: Pamela Grubaugh-Littig, Permit Supervisor

RE: Refuse/Slurry Storage, Blending Coal and Refuse/Slurry, Railco Facility, Determination to Permit

Mr. Bill Malencik sent me a memo, see attached, that outlines the rationale to "permit" the Railco Facility. The refuse/slurry material in question is refuse/slurry from the Hiawatha Mine. This refuse/slurry material is trucked from Hiawatha Mine by Co-Op Mining Company to the Railco Facility. At the Railco Facility, the refuse/slurry is "blended" with coal.

The definition of "Coal Preparation or Coal Processing" means "**the chemical and physical processing and the cleaning, concentrating, or other processing or preparation of coal**". The activity that is being undertaken at the Railco Facility, "blending", I believe is "other processing or preparation of coal". Therefore, the Railco Facility should be permitted.

Please let me how you would to proceed in this matter. Thank you.

Permitted
Unpermitted
Dust & paddle wheel blending
Steep coal bank
Safety

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DATE: September 23, 1993

TO: Pam Grubaugh-Littig, Permit Supervisor

FROM: Wm. J. Malencik, Reclamation Specialist, + penciled notes

RE: Refuse/Slurry (R/S) Storage Permitted/Unpermitted Sites, R/S Change to Coal

As a follow up to our informal staff discussions here are two regulatory questions:

I) Because of activities described below, is a train loadout owner violating Utah Coal Mining Regulations by transporting, storing and blending R/S with coal? ???

II) Is the permitted owner of a R/S site violating Utah Coal Mining Regulations by his activities? N

Here are some sub-questions and case examples.

(1) Is storing R/S on an unpermitted site a violation of the Utah Coal Mining regulation?

- 528.320, 746.110--R645-100.
- Key words: Coal Mine Waste/Slurry Coal Processing Waste/ Refuse Pile

(2) Does storing and stockpiling R/S fall under the definition of coal mining?

- R645-100, Definition.

(3) When in the operational stage, or later, does a change take place where coal extracted from R/S, loaded and transported is legally considered coal under the regulations?

- R645-160--Mining Definition pg 6
- Key regulatory words: change, extraction, transported.

(4) Since the character of the refuse is not changed by extracting, loading and transporting, then isn't it reasonable to consider that it remains refuse until it is changed in some way such as blending with coal?

(5) Since coal mining regulations required that all coal mine waste be placed in new or existing disposal areas within a permit area, approved by the Division, then isn't it reasonable to conclude that placing refuse in an unpermitted site is a violation? Y

- 528.320, 746.110

(6) Is <u>blending</u> considered <u>other processing</u>? ???

- R645-100, Coal Preparation etal, pg 3.
- Key words: Other processing/blending

ON THE OTHER HAND

(7) Since Utah Regulation provides for extraction of coal from R/S....loading coal for interstate commerce, the act of mining R/S even though the character of the R/S has not changed, is it reasonable to conclude that the act of mining, commercial trading and transporting changes R/S to coal; therefore, is not a violation? Y

- "Mining" Definition, pg 6.
- Key words: refuse, coal extraction, transportation, interstate commerce

(8) How does R/S fit the coal definition as provided in ASTM Std D388-77? Could you provide a copy of the Stds? ??

(9) How does Case A square with Case B below relating to regulatory compliance issues?

STILL ON THE OTHER HAND

(10) If #7 is the proper conclusion, what would be the deterrent for someone to avoid reclaiming R/S by using such an approach? What interstate commerce provisions are envisioned in such regulatory language? Does the Division have any responsibility to validate this matter ie., interstate commerce? A) If and when it is considered coal and B) if and when it is considered R/S?

- Key words: interstate commerce/reclamation obligations.

CASE SITUATIONS

Case A) Pertains to questions (9).

A^1 and A^2 each have a separate DOGM permit covering the R/S; A^1 for transporting and storing refuse, and, A^2 for extracting and transporting refuse/coal or whatever it is considered. A^1 and A^2 have all permitting, compliance and reclamation responsibilities on the R/S site.[a]

Case B) Pertains to questions I) and II).

B^1 has a DOGM permit, controls R/S site, sells by agreement and loads R/S into B^2 trucks. B^1 has specific language in the approved DOGM plan as follows: "Some of the fines, once dried, are sold to available markets. The coarse refuse is stored in refuse piles and slurry pond embankments." (Pg. 39 MRP). B^1 counts the trucking to determine volume, B^2 weighs trucks at their scale. B^1 considers title transfer when material is loaded in trucks. B^2 trucks are unloaded at B^2 train loadout and R/S stockpiled. R/S and coal from B^3 mine, both not chemically or physically altered, are blended. B^2 is not a DOGM permitted site. B^1 states they are paying royalties and AML fees.

SUMMARY

While some of the sub-questions appear to be obvious; however, they are intended to set the stage for other more perplexing sub-questions, such as: When does refuse/slurry under approved extraction become coal?; What is considered other processing as related to preparation plants?

Policy guidance is needed in this area because of (1) high cost of reclaiming R/S sites, (2) minimizing reclamation costs by removal of such material and (3) obtaining monies from the sale of R/S.

a) A^2 agent who mines also crushes coal outside permit boundary, but at the "site of ultimate coal use" R645-302-261