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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Outgoing
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August 11, 2010

Kenneth A. Rushton
Bankruptcy Trustee for Bear Canyon Mine
1238 East 1360 North
Lehi, Utah 84043

Subject: Water Monitoring Amendment, Bear Canyon Mine, C/015/0025, Task ID #3591

Dear Mr. Rushton:

The Division has reviewed your application to revise the current water monitoring plan in the Bear Canyon Mining and Reclamation Plan.

The Division has determined that there are some deficiencies that must be addressed before a determination can be made that the requirements of the R645 Coal Mining Rules have been met, and an approval can be granted. Those deficiencies are listed as an attachment to this letter.

Each deficiency identifies its author by that author's initials in parentheses; such that your staff can directly communicate with that individual should any questions arise relative to the preparation of Canyon Fuel Company's response to that particular deficiency.

The plans as submitted are denied. Please resubmit the entire application.

Sincerely,

Daron Haddock
Coal Program Supervisor

DRH/AAA/sqs
Attachment
cc: Price Field Office
O:\015025.BCN\FINAL\WG3591\3591_DEFICIENCIES.DOC

Deficiency List
Task No. 3591
Task Name: Water Monitoring Amendment

The members of the review team include the following individuals:

April A. Abate (AAA)

The water-monitoring amendment should be resubmitted noting the following deficiencies and recommendations:

[R645-301-120]: The narrative section of the MRP discussing the water monitoring plan begins on page 7-48 and ends on page 7-60. The applicant did not submit any text revisions for the narrative section of the plan. This section will need to be updated to reflect the approved revisions. In addition, the applicant submitted Tables 1, 2 and 3 as supplemental material that were intended to show rationale for proposing deactivating and reactivating sampling sites and statistical evaluations of the sample locations. The applicant did not appear to intend to include them as part of the final MRP; however the Division would like that they incorporate them into the mine plan such that the rationale for reactivating the sampling locations is clearly illustrated.

[R645-301-731.210]:

- Monitoring well MW-117 was proposed for deactivation until such time that mining resumes/begins in the area. Based on the recent trend in water level data showing a significant rise in water levels, continued gauging MW-117 for water levels is necessary.
- SBC-3 is set in the alluvium in a creek adjacent to stream sample BC-3 at the margin of the disturbed area. Because the well is set in the alluvium, the groundwater system has the potential for contact with the disturbed area. Therefore, it is important that this site continue to be sampled for operational water quality parameters.
- The applicant has structured their plan to reactive the sampling locations when it is determined that mining in these specific areas either begins or resumes. The best way to track this is for the applicant to provide a commitment to the Division in Bear Canyon Annual Report to evaluate the mine plan each year and notify the Division of which water monitoring points will be activated based on the forecast for underground mining. It is suggested that the applicant commit to re-establish monitoring of the sites a minimum of one year prior to mining activity resuming in the area.
- The Division recommends eliminating the monitoring of two spring samples SBC-4 and SBC-9A quarterly for dissolved and total lead. There were no statistical data to justify the reason for lead sampling at either of these sites.

[R645-301-731]: The applicant did not submit a revised map of the water monitoring locations. Please submit a current version of Plate 7-4 showing spring SBC-23 as historical monitoring site as well as any other relevant updates to the map. The Division also recommends that updated mine plans shown in Plates 5-1A, 5-1B, and 5-1C be submitted also – this can be submitted separately and does not necessarily need to be submitted concurrent with this water monitoring plan amendment.