

0015



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

April 22, 1991

Mr. C. F. Vaughn, President
Nevada Electric Investment Company
6226 West Sahara
Las Vegas, Nevada 89102

Dear Mr. *Vaughn*:

Re: Revised State Permit and Decision Package, Genwal Coal Company, Crandall Canyon Mine, ACT/015/032, Folder #2, Emery County, Utah

Enclosed is a revised permanent program mining permit for the Crandall Canyon Mine, which includes State Leases ML-21568 and ML-21569. Also included is a copy of the State's Decision Document for the State Lease revision.

Please note that for purposes of responding to the stipulations, the permit approval date is the date at the top of the first page of the revised permit, April 22, 1991. The permit will still expire on the renewed permit expiration date, May 13, 1993. Two copies of the permit are included. Please read the stipulations in Attachment A, then sign both copies and return one to the Division.

Your cooperation during the permitting process is appreciated.

Best Regards,

A handwritten signature in cursive script that reads "Dianne".

Dianne R. Nielson
Director

Enclosures

cc: P. Rutledge, OSM, Denver
R. Hagen, OSM, Albuquerque
A. Childs, Genwal
G. Morris, USFS
S. Demczak, DOGM, PFO
"B" Team

BTCRANPERM.PER

UTAH DIVISION OF OIL, GAS & MINING
STATE DECISION DOCUMENT

Crandall Canyon Mine
State Leases ML-21568 and ML-21569
ACT/015/032

Genwal Coal Company, Inc.
Emery County, Utah
April 22, 1991

CONTENTS:

- * Administrative Overview
- * Location Map
- * Permitting Chronology
- * Mine Plan Information Form
- * Findings
- * Cumulative Hydrologic Impact Assessment (CHIA)
- * Technical Analysis
- * Letters of Concurrence and Consultation
 - Division of Water Rights, January 9 and 22, 1991
 - April 8, 1991
 - U. S. Forest Service - Manti-LaSal National Forest,
 - February 28, 1991
 - Memo from Joseph C. Helfrich--Section 510 (c) Finding, April 22, 1991
- * Affidavit of Publication
- *
 - + Revised State Permit with Stipulations

ADMINISTRATIVE OVERVIEW

Genwal Coal Company, Inc.
Crandall Canyon Mine
State Leases ML-21568 and ML-21569
ACT/015/032
Emery County, Utah

April 22, 1991

BACKGROUND

Genwal Coal Company, Inc. (Genwal) has proposed to add two State owned leases, ML-21568 and ML 21569, to its currently approved permit area for the Crandall Canyon Mine.

The Mining and Reclamation Plan for the Crandall Canyon Mine, Tract 1, was approved by the Office of Surface Mining in November of 1982 and by the Division of Oil, Gas, and Mining (DOG M) on May 13, 1983. The originally approved MRP consisted of an 80 acre federal lease (SL-062648, Tract 1), a 1.5 acre U.S. Forest Service special use area, and a 1.7 acre fee lease. On February 12, 1987 Genwal was issued a permit from DOGM to add Tract 2 of Lease SL-062648 to the permit area, containing 75.23 acres.

In December of 1986, Genwal was issued federal lease U-54762, containing 256.49 acres. In February of 1988, Genwal submitted a new MRP document in partial fulfillment of requirements for permit renewal. This new MRP contained information pertaining to the addition of lease U-54762 to the permit area. A revised state permit which includes lease U-54762 was issued on July 31, 1989.

On August 8, 1990, Genwal Coal Company was issued a revised permit which authorized mining a parcel of coal known as the "Right-of-Way". This right-of-way allowed for access to the state leases being reviewed in this proposal and consists of 111.5 acres. Currently the Crandall Canyon Mine consists of room and pillar operations in the Hiawatha seam. The state coal leases ML-21568 and ML-21569 will be accessed via presently existing portals in the Hiawatha coal seam. Work in the state leases will not result in additional surface structures, but will all be done underground.

State leases ML-21568 and ML-21569 are 998 and 640 acres in size, respectively. In-place coal reserves total 18 million tons, of which 8 million tons will be recovered. Mining will be done by the room and pillar method.

ANALYSIS

No additional surface disturbance is proposed in relation to the addition of these state leases to the permit area. Access will be through the currently existing mine. Surface effects of mining in this area would be limited to effects due to subsidence.

Mr. James Dykman with the Utah State Historic Preservation Office was contacted by telephone regarding this project. He indicated that they would have no concerns inasmuch as the mining is all underground and would be accessed from the already disturbed portal area. Concerns brought up by the Division of Water Rights, the Division of Wildlife Resources and the U. S. Forest Service have either been addressed or have been stipulated in the approval. Subsidence on the adjacent Forest Service ground will not be allowed at this time. The Forest Service will need to conduct an EA prior to allowing mining in those areas that may affect the Forest Service surface.

A new cumulative hydrologic impact assessment (CHIA) has been prepared for this permit revision.

RECOMMENDATION

Genwal has demonstrated that mining of State Leases ML-21568 and ML-21569 can be done in conformance with the Surface Mining Control and Reclamation Act, and the corresponding Utah Act and Performance Standards. All issues raised during the review process have been resolved or attached to the revised permit as stipulations. No issues were raised during the public comment period. It is therefore recommended that approval, with the stipulations delineated in Attachment A, be given for addition of the State Leases to the currently approved permit area.

(2)
GRANDDALL CANYON
LOCATION MAP

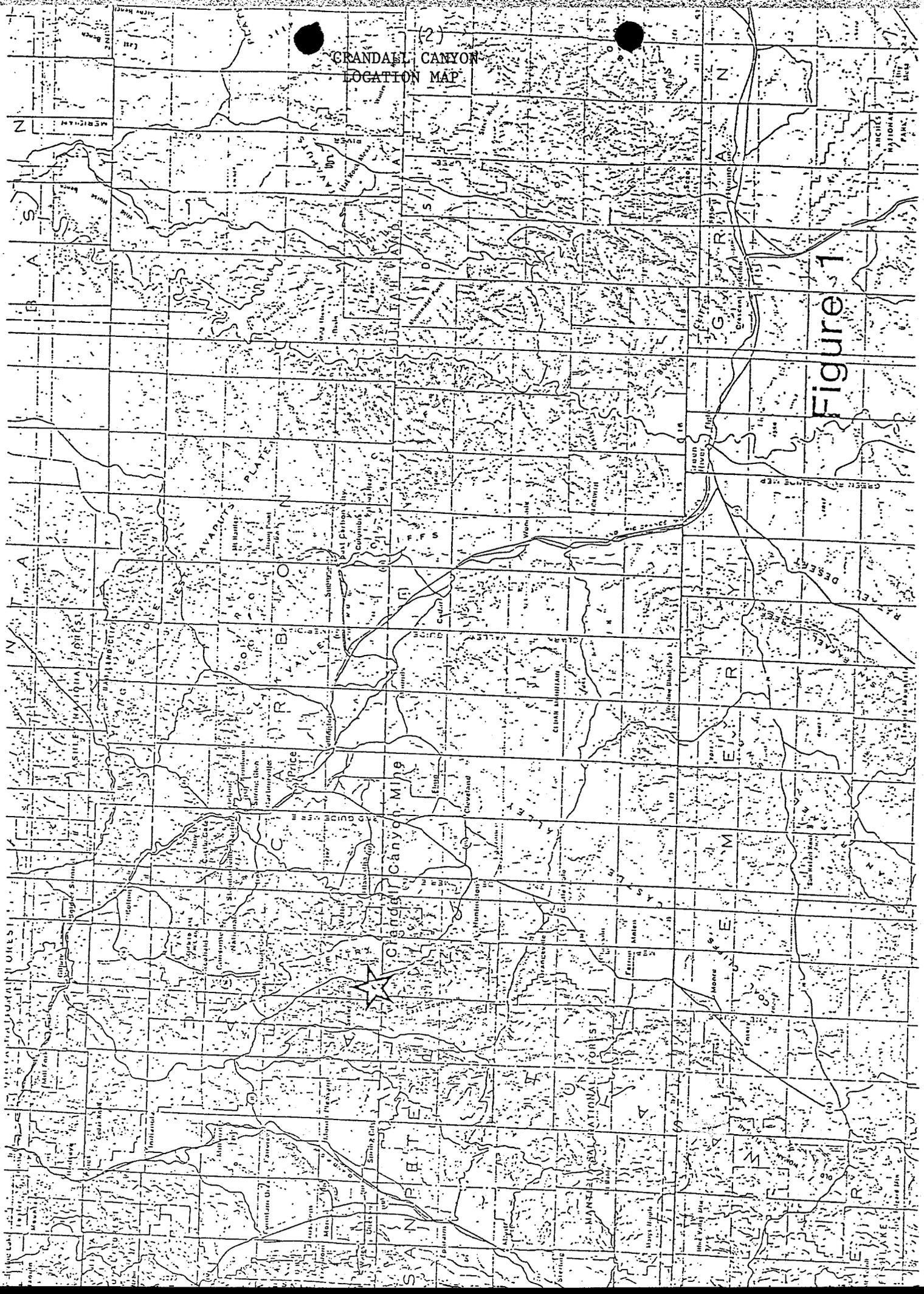


Figure 1

PERMITTING CHRONOLOGY

Genwal Coal Company, Inc.
Crandall Canyon Mine
State Leases MI-21568 and ML-21569
ACT/015/032
Emery County, Utah

April 22, 1991

- 12/7/90 Division of Oil, Gas and Mining (DOGGM) receives Genwal Coal Company's application for a permit revision, including plans for incorporation of State Leases ML-21568 and ML-21569 into the permit area.
- 12/11/90 Division of Oil, Gas and Mining (DOGGM) sends copy of Genwal's State Lease application to other agencies for their review.
- 1/23/91 DOGM determines application to be administratively complete for publication purposes.
- 1/22-2/12/91 Genwal publishes notice of a complete plan and intent to add the State Leases to the permit area weekly for four consecutive weeks in the Emery County Progress.
- 3/14/91 Public comment period ends with no comments received.
- 4/22/91 DOGM issues state Decision Document, revised permit.

MINE PLAN INFORMATION

Mine Name: Crandall Canyon Mine State ID: ACT/015/032
 Operator: Genwal Coal Company County: Emery
 Controlled By: Nevada Electric Investment Co.
 Contact Person(s): Allen Childs Position: Vice-President
 Telephone: 687-9813

New/Existing: both Mining Method: Underground-room and pillar

Federal Lease No(s): U-54762; SL-062648

Legal Description(s): U-54762: T. 15S., R. 7E. Section 31: SE 1/4 SE 1/4,
Section 32: S 1/2 SW 1/4, SW 1/4 SE 1/4; T.16S, R.7E. Section 5:
Lots 2, 3, and 8; SL-062648: T. 16S., R. 7E. Section 5: SW 1/4 NW 1/4, Lot 4,
Section 6: SE 1/4 NE 1/4, Lot 1

State Lease No(s): ML-21568; ML-21569

Legal Description(s): ML-21568: T. 16S., R 6E. Section 2
ML-21569: T. 15S., R. 6E. Section 36

Other (identify): Forest Service Special Use Right-of-Way

Legal Description(s): T.15 S., R.7 E., Emery County, Utah
Section 31: Lots 10, 11, and 12

Ownership Data:

<u>Surface Resources (acres)</u>	<u>Existing Permit Area</u>	<u>Proposed Permit Area</u>	<u>Total Life Of Mine Area</u>
Federal	<u>525.72</u>	<u> </u>	<u>525.72</u>
State	<u> </u>	<u>1638</u>	<u>1638</u>
Private	<u>1.7</u>	<u> </u>	<u>1.7</u>
Other	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>527.42</u>	<u>1638</u>	<u>2165.42</u>

Coal Ownership (acres):

Federal	<u>523.22</u>	<u> </u>	<u>523.22</u>
State	<u> </u>	<u>1638</u>	<u> </u>
Private	<u> </u>	<u> </u>	<u> </u>
ther	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>523.22</u>	<u>1638</u>	<u>2161.22</u>

FINDINGS

Genwal Coal Company, Inc.
Crandall Canyon Mine
State Leases ML-21568 and ML-21569
ACT/015/032
Emery County, Utah

April 22, 1991

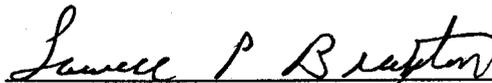
1. The revised plan and the permit application are accurate and complete and all requirements of the Surface Mining Control and Reclamation Act (the "Act"), and the approved Utah State Program have been complied with (R614-300-133.100).
2. No additional surface reclamation is required since the additional permit area will be mined as an underground extension of the existing mine. There will be no new surface facilities.
3. The assessment of the probable cumulative impacts of all anticipated coal mining and reclamation activities in the general area on the hydrologic balance has been made by the regulatory authority. The Mining and Reclamation Plan (MRP) proposed under the application has been designed to prevent damage to the hydrologic balance in the permit area and in associated off-site areas (R614-300-133.400 and UCA 40-10-11 {2}{c}) (See Cumulative Hydrologic Impact Analysis (CHIA) following this Findings Document).
4. The proposed lands to be included within the permit area are:
 - a. Not included within an area designated unsuitable for underground coal mining operations (MRP, p. 2-7);
 - b. Not within an area under study for designated lands unsuitable for underground coal mining operations (MRP, p. 2-7);
 - c. Not on any lands subject to the prohibitions or limitations of 30 CFR 761.11 {a} (national parks, etc.), 761.11 {f} (public buildings, etc.) and 761.11 {g} (cemeteries) (MRP, p. 2-6);

- d. Within 100 feet of a public road, however a hearing was held as required in June of 1981 (MRP, p.2-6)(R614-300-133.220);
 - e. Not within 300 feet of any occupied dwelling (MRP, p. 2-6) (R614-300-133-220).
5. The regulatory authority's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800) (R614-300-133.600).
 6. The applicant has the legal right to enter and complete mining activities in the Permit area through State Leasing agreements.(See appendix 14-1 in PAP) (R614-300-133.300).
 7. A 510(c) report has been run on the Applicant Violator System (AVS), which shows that: prior violations of applicable laws and regulations have been corrected; neither Genwal Coal Company, Inc. or its parent company are delinquent in payment of fees for the Abandoned Mine Reclamation Fund; and the applicant does not control and has not controlled mining operations with demonstrated pattern of willful violations of the Act of such nature, duration, and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of the Act (R614-300-133.730).
 8. Underground mining operations to be performed under the permit will not be inconsistent with other operations anticipated to be performed in areas adjacent to the proposed permit area. The closest operating mine is the Bear Canyon Mine.
 9. The applicant has posted a surety bond for the Crandall Canyon Mine in the amount of \$268,000.00. No additional surety will be required, since there is no additional surface disturbance proposed (R614-300-134).
 10. No lands designated as prime farmlands or alluvial valley floors occur on the permit area (R614-300-133.200).

11. The proposed postmining land-use of the permit area is the same as the pre-mining land use and has been approved by the regulatory authority and the surface land management agency.
12. The regulatory authority has made all specific approvals required by the Act, the Cooperative Agreement and the Federal Lands Program.
13. The proposed operation will not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habits (R614-300-133.500) (See PAP p. 14-6).
14. All procedures for public participation required by the Act, and the approved Utah State Program have been complied with (R614-300-120).
15. No existing structures will be used in conjunction with mining of the State Leases, other than those constructed in compliance with the performance standards of R614-301 and R614-302 (R614-300-133.720).



Permit Supervisor



Associate Director, Mining



Director