

**State of Utah****Department of
Natural Resources**

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**Division of
Oil, Gas & Mining**

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August 28, 2006

Allen Childs, President
Talon Resources, Inc.
195 North 100 West
Huntington, Utah 84528

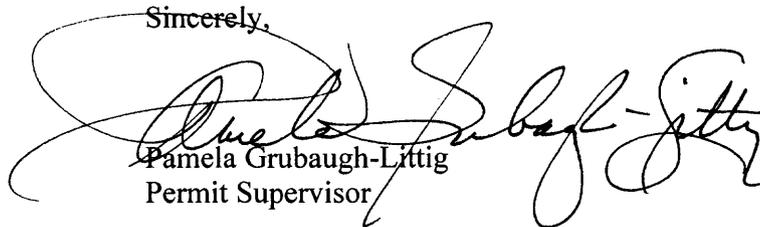
Subject: Administrative Completeness Review, Talon Resources, Coal Hollow,
C/025/005, Task ID #2567, Outgoing File

Dear Mr. Childs:

We have reviewed your application (dated June 27, 2006) for a surface coal mining operation near Alton, Utah. The application has been determined to be incomplete. A copy of the Administrative Completeness Review (ACR) is enclosed. We look forward to meeting with you at the site on September 6, 2006, to discuss the items found deficient in the application.

Priscilla Burton at the Price Field Office has been assigned as the review team lead. Please contact Ms. Burton at (435) 613-1146 x 207 or myself (801) 538-5268 with your questions.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

PWB/sd
Enclosure
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**ADMINISTRATIVE COMPLETENESS REVIEW WORKSHEET
(R645-100)**

DATE: August 22, 2006

REVIEWER(S): Priscilla Burton, Dave Darby, Dana Dean, Joe Helfrich, Jim Smith, Wayne Western

APPLICANT: Talon Resources

MINE NAME: Coal Hollow **FILE NO.:** C/025/005

"Administratively Complete Application" means an application for permit approval or approval for coal exploration, where required, which the Division determines to contain information addressing each application requirement of the State Program and to contain all information necessary to initiate processing and public review.

Directions: The categories listed below correspond to the minimum requirements for information necessary to initiate processing and public review. If a category is checked the Applicant has met the Completeness requirement for that category. If a category is not checked, the Completeness requirements have not been met. The comments column will identify the deficiency and what is necessary to correct it.

			Comments
301-112	Identification of Interests	<u>X</u>	
100	Applicant's Business Structure	<u>X</u>	
210	Applicant's Name/Address/Phone	<u>X</u>	
220	Resident Agent's Name/Address/Phone	<u>X</u>	
230	Name/Address/Phone of AML Fees Payer	<u>X</u>	
300	Corporate Structure & Ownership	<u>X</u>	
400	Identify Other Mining Operations in US	<u>X</u>	
500	Surface & Mineral Ownership	<u>X</u>	
600	Ownership Contiguous to Permit	<u>X</u>	
700	MSHA Numbers	<u>X</u>	
800	Interest in Contiguous Lands	<u>X</u>	

301-113	Violation Information	<u>X</u>	
100	Suspension or Revocation Information	<u>X</u>	
300	List of Violations - 3 Previous Years	<u>X</u>	
301-114	Right of Entry	—	Appendix 1-1 containing landowner agreements is missing. Appendix 1-2 containing lease information is missing.
301-115	Status of Unsuitability Claims	<u>X</u>	
301-116	Permit Term	<u>X</u>	
301-117	Insurance	<u>X</u>	Copy of proposed public notice should accompany application. Not applicable.
	Proof of Publication	—	
	Facilities and Structures Used in Common	<u>X</u>	
301-118	Filing Fee	<u>X</u>	
301-123	Notarized Signature of Responsible Official	<u>X</u>	Please correct error in third paragraph of the Introduction regarding the date this submittal was submitted to the UDOGM. i.e. August 18, 2006 not 2005.
301-130	Information Collection: Technical Data Accompanied by Names of Persons or Organizations that Collected and Analyzed the Data - Dates of Collections - and Analysis of the Data and Description of the Methodology Used to Collect and Analyze Data	<u>X</u>	A list of contributors is provided in Chapter 1. Dates and Collection Methods and Analysis are commented upon by scientific discipline below.

301-200	Soils	—	Chapter 2 is not adequate as itemized below.
211	Description of Pre-mining Soil Resources	—	Description of pre-mining soil resources should be included for each Phase of the operation.
221	Prime Farmland Investigation	<u>X</u>	The application includes a 1981 document on lands in a former project area. The Division will coordinate with the NRCS to make a finding concerning prime farmland for the area currently in the application. The NRCS correspondence for this application will be included at that time.
222	Soil Survey	—	Soil survey not yet completed. Soil mapping not based on reconnaissance survey.
224	Substitute Topsoil Info (When Proposed)	—	None proposed.
230	Operation Plan Topsoil Handling/Removal/Storage	—	Specific details for this project such as depth of salvage, volumes of material to be handled during each Phase, stockpile dimensions and volumes and storage time, etc. have not been disclosed.
240	Reclamation Plan Soil Redistribution/Stabilization	—	Other than the fertility analysis to be conducted after topsoil replacement, Chapter 2, Sec. 240 has no details on materials handling, equipment to be used, grading for erosion control etc. Topsoil replacement sequence is shown on Dwg 5-5.

301-300	Biology	<u>X</u>	The Biology section is included in Volume II, Chapter 3 of the application. It is formatted under the R645 rules and addresses section R645-301-300 et. sec. of the coal regulations.
320	Vegetation Information	<u>X</u>	The vegetation information is included in section 321 and describes the plant communities and productivity for the proposed mine permit area.
322	Fish and Wildlife Information	<u>X</u>	The Fish and Wildlife Information is provided in section 322 et. sec. and includes Agency consultation and studies, site specific resource information, T&E lists, habitats FWS review, and maps for the proposed mine permit area.
323	Maps/Photos Vegetation-Fish-Wildlife Areas	<u>X</u>	Vegetation and wildlife maps are included in section 323 et. sec. of the application, they include plant communities, deer, elk, black bear, and sage grouse brood habitat.
330	Operation Plan Vegetation-Fish-Wildlife Protection	<u>X</u>	Section 333 et. sec. includes procedures to minimize impacts to fish and wildlife during operations.

341	Reclamation Plan for Revegetation	<u>X</u>	Sections 340-342 et. sec. include a reclamation plan for revegetation. The plan contains enough information to initiate a technical analysis.
342	Fish & Wildlife Plan for Reclamation Phase	<u>X</u>	Sections 340-342 include protection and enhancement measures for fish and wildlife during the reclamation phase. Performance standards are included in section 350 et. sec.

301-400	Land Use and Air Quality		Since this surface mine will have over 1,000,000 Tons annual production, an air pollution control plan must be included in the application. Some air pollution control information is provided in Section 526.400. Notice of Intent to Air Quality has not been filed. Include NOI with the application to show coordination with the DEQ/BAQ.
411	Pre-Mining Land Use Information (Includes Cultural Resources)	<u>X</u>	Cultural resource information is described in Chapter 4, section 411 et. sec of the application and includes a cultural resource survey and a map deliniating the extent of the survey of the proposed area to be affected by strip mining activities.
412	Post-Mining Land Use Information	—	Appendix 1-1 containing landowner agreements is missing. Landowner comments concerning post mining land use must be included in the application.

301-500	Engineering	<u>X</u>	The general engineering issues were addressed. Specific engineering issues are discussed below.
510 520	General Description of Operation Plan (Maps, Locations, Cross-Sections, Narrative, Descriptions & Calculations)	—	(512) The geologic maps and cross sections were not certified. (513) Compliance with MSHA information adequate to proceed. (514) Inspection information adequate to proceed. (515) Reporting adequate to proceed. (516) Slides adequate to proceed. (521) Pre-mining contour maps were not provided, R645-301-521.150. The Permittee often states that site specific maps will be updated. What does that mean? If the Permittee plans to update maps before initial construction then they should wait until they have a complete package before submitting. The Division knows that mine plans change over time and that after the permit is approved the Permittee will amend the permit. The Permittee does not have to state that future amendments are anticipated.

522	Coal Recovery Description	—	The Permittee did not provided an adequate coal recovery plan. The plan did not include extraction ratios or other details on coal recovery. The comment that Drawing 5-2 will be updated is unclear. Will the drawing be updated as more data is obtained during mining or is the mine plan conceptual and will be revised after the plan is engineered. On Drawing 5-1, the coal removal area line is shown to cross into Section 20. The BLM owns the coal in Section 20 and the Permittee has not obtained a lease to mine the coal; therefore, the map must be revised.
523	Mining Methods	—	The information on Drawing 5-1 is inadequate for the Division to proceed. The Permittee shows a diversion ditch outside of the permit area and that mining will be conducted outside of the disturbed area boundaries. The Permittee should remove the comments that "Site-specific Drawings will be updated." If the Permittee plans on changes to the maps/plans before initial construction, then they should hold off on the permit application submittal until the package is complete. The Permittee does not need to inform the Division that the permit will be amended after the permit is issued.
524	Blasting and Explosives Plan	<u>X</u>	The Permittee does not plan on blasting, if so, they will submit plans.
525	Subsidence Control Plan	<u>X</u>	The Permittee does not anticipate subsidence.
526	Mine Facilities Description (Narrative, Plans, Maps) Including Existing Structures & Support Facilities	—	The Permittee states that important maps will be updated. The Division needs maps with sufficient detail before they can begin the review.
527	Transportation Facilities (Including Plans & Maps)	—	The Permittee must submit specific information on road designs and how Lower Robinson Creek will be diverted.
528	Coal Mine Waste Plans (Description & Designs)	<u>X</u>	The Permittee gave a description of how they will handle overburden. The Permittee does not propose to produce any underground development waste or coal processing waste.
529	Management of Mine Openings (Design)	—	The Permittee must address how they will manage wells, which are considered underground openings.
531	General Plans for Structures	—	The Permittee needs to include the appropriate maps and plans in the permit application.
532	Sediment Control	—	The Permittee must include detailed designs for the sediment pond and all sediment controls

533	Impoundments	—	The Permittee must include detailed designs for all sediment ponds.
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301-534	Roads (Plans, Drawings, Designs, & Specifications)	—	The Permittee must include detailed maps and designs showing how the roads will meet the requirements of R645-301-534.
535	Spoil	<u>X</u>	See Sec. 528.200
536	Coal Mine Waste	—	Sec. 528.320, indicates that there will be no coal mine waste, however, Sec 528.100 indicates there will be coal processing areas north of the pit. [pwb].
537	Regraded Slopes	<u>X</u>	No regraded slopes will be encountered.
540 541-542	Reclamation Narrative, Maps and Plans	—	The Permittee needs to include all required information. Important items must be submitted as part of the application package, such as proposed reclamation maps. Note: Drawing 5-7 shows permit boundaries that are not consistent with the permit boundaries on other maps.
551	Casing and Sealing Underground Openings		The Permittee must address how they will close wells and other bore holes.
553	Backfilling and Grading Description	—	The Division cannot evaluate the backfilling and grading program without maps with 2-foot contours. If a large contour interval is needed then the Permittee must show why.

301-600	Geology	<u>X</u>	The geology section of the PAP is in Volume 3, Chapter 6.
621	Description of Geology (Permit & Adjacent Area)	—	Drill hole data is not located (in column) or summarized. Stratigraphic descriptions do not contain physical or chemical descriptions for mining impacts. Depth and stratigraphic relationships of core samples in Appendix 6-2 are not identified. In relation to the requirements of the Coal Mining Rules, no real sense can be made of the analyses reported in Appendices 6-2 and 7-5. [jds 08/17/2006].

622	Geologic Cross-Sections, Maps, and Plans	—	The geology map is not detailed enough, showing only one altitude point when several formations are identified on and adjacent to the mine area. More cross-section detail is needed to describe the stratigraphy of the minesite. An overburden isopach map should be provided for the minesite and adjacent area. Cross-sections should extend north toward Robinson Creek. Maps should depict displacement of faults.
630	Plans for Casing and Sealing Holes	—	Casing and sealing methods are mentioned, but not complete and no diagrams of drill holes are provided.

301-700	Hydrology	—	See Specific Information Regarding Hydrology Below.
721	Description of Hydrologic Resources (Permit and Adjacent Area)	X	There is a brief description of surface hydrologic resources in Section 721.
722	Cross-Sections and Maps Subsurface Water - Surface Water - Monitoring Stations - Wells	—	<p>Surface water resources are depicted on Drawings 7-1, and 7-7. Baseline monitoring stations are depicted on Drawing 7-2. USGS 20-foot contour intervals are not acceptable. The maps must provide "sufficient slope measurements or contour maps to adequately represent the existing land surface configuration of proposed disturbed areas for UNDERGROUND COAL MINING AND RECLAMATION ACTIVITIES and the proposed permit area for SURFACE COAL MINING AND RECLAMATION ACTIVITIES will be measured and recorded to take into account natural variations in slope, to provide accurate representation of the range of natural slopes and reflect geomorphic differences of the area to be disturbed." Maps are not properly certified, PE Seal may be electronic, but must conform to size rules (minimum 1-1/2" diameter). Maps of the permit area should be no smaller than 1"=500', and maps of the adjacent area should be no smaller than 1"=2000' (the Division would prefer no smaller than 1"=1000').</p> <p>The comprehensive report of ground- and surface-water systems referred to in Section 721 needs to be in the submittal in order for the submittal to be complete. [jds 08/17/2006]</p> <p>Appendix 7-4 is missing pp. 13 and 14 and Drawings 1-9. Also, in sub-Appendix I, page 2 of 2 of Measured Section No. 3 is missing. [jds 08/17/2006]</p>

723	Sampling and Analysis	<u>X</u>	Section 723 of the proposed MRP states that all sampling and analysis has been and will be conducted according to Standard Methods, or EPA methods listed in 40 CFR parts 136 and 434.
724	Baseline Information Ground Water - Surface Water - Geology - Climatological & Supplemental; If Needed	—	<p>Baseline surface water information including one year's worth of recent data is included in Appendix 7-2. It must also be included in the Division's electronic database as soon as possible.</p> <p>Baseline climatological information can be found in Appendix 7-6; however, there are no data on prevailing winds in this appendix. Wind velocity and direction are discussed in Section 724.412. [jds 08/17/2006]</p> <p>Appendix 7-2 is referenced as indicating differentiated potentiometric surfaces in the Smirl Coal zone and shallow alluvium, but that appendix contains no potentiometric information. [jds 08/18/2006]</p>
728	PHC Determination	—	<p>A PHC determination is provided in Section 728. However, Section 725 and 728 both state additional hydrologic information is forthcoming. The Applicant cannot have done a complete and accurate PHC without this information, and the Division cannot do a CHIA until this additional information is provided. [jds 08/18/2006]</p> <p>The proposed MRP states that the PHC determination indicates interruption, diminution, and contamination of water supplies is not probable; however, comparison of Drawings 5-8 and 7-3 indicates several water rights are in close proximity to the pit, creating a situation wherein water supplies could very well be interrupted or diminished. Ground-water Discharge Area 1, as shown on Drawing 7-4, is in immediate contact with the proposed pit area. Furthermore, the proposed MRP states that this area is upgradient of the proposed pit, so opening the pit has the potential to drain this alluvial ground-water area. Ground-water discharge in Ground-water Discharge Area 1 is one of the investigations to be completed in 2006. The Division cannot evaluate the PHC determination without this information. [jds 08/18/2006]</p> <p>There is not sufficient geological information (see Section 600 of this document) in the PAP to describe the geologic setting, geological/hydrological interactions, and potential acid/toxic impacts. [dwd]</p>

730	<p>General Operation Plan Minimize Disturbance to Hydrologic Balance & Compliance with Clean Water Act</p>	<p>Sections 730, 731, and 731.800 (perhaps others) contain a commitment to replace water supplies that are adversely impacted by contamination, diminution, or contamination. Section 727 needs to identify the source for the water that can be used to replace those impacted water supplies. [jds 08/18/2006]</p> <p>Section 730 discusses the Applicant's commitment to protect the hydrologic balance and comply with the Clean Water Act.</p> <p>At least initial designs for construction and reclamation of diversions (ditches, culverts, and the Robinson Creek diversion), sedimentation ponds, and other sediment control measures are needed. [jds 08/17/2006].</p> <p>The Permittee states that the PHC determination indicates interruption, diminution, and contamination of water supplies is not probable; however, comparison of Drawings 5-8 and 7-3 indicates several water rights are in close proximity to the pit, creating a situation wherein water supplies could very well be interrupted or diminished. Furthermore, Section 731.800 contains a commitment to replace water supplies that are adversely impacted by contamination, diminution, or contamination. Section 727 needs to identify the source for the water that can be used to replace those impacted water supplies.</p>
731	<p>Ground and Surface Water Protection <u>X</u></p>	<p>Ground and surface water protection are discussed in Section 731.</p>
732	<p>Ground and Surface Water Monitoring <u>X</u></p>	<p>An operational ground and surface water monitoring plan is provided on Tables 7-4 through 7-7.</p>

301-740	Plans and Designs Operation and Reclamation Plan Sediment Control Measures	—	No plans or designs are provided. Commitments are made to abide by the Regulations, but the Division requires specific plans in order to proceed with the permit review. This entire section is incomplete.
	Siltation Structures	—	
	Sediment Ponds	—	
	Other Treatment Facilities	—	
	Diversions	—	
	Road Drainage	—	
	Impoundments	—	
	Discharge Structures	—	
	Disposal of Excess Spoil	—	
	Coal Mine Waste	—	
	Disposal of Non-Coal Mine Waste	—	
	Casing and Sealing of Wells	—	

301-800	Bonding and Insurance	<u>X</u>	
820	Applicant Have Adequate Bond at Permit Issuance	<u>X</u>	
830	Bond Estimate and Calculations Provided	<u>X</u>	There is enough for the Division to evaluate the reclamation cost estimate. The Permittee must include demolition costs for all structures. The Division does not allow salvage value or that structure will be removed from the site (office). In addition, the demolition costs must include floors and foundations (items not cover in the Means cost). The seeding cost must be based on the approved seed mix not an average value from Means.
890	Certificate of Insurance Provided	<u>X</u>	Can be provided later but before the permit is issued.

302-200	Special Categories of Mining	—	None proposed.
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210	Experimental Practices Mining	—	
220	Mountaintop Removal Mining	—	
230	Steep Slope Mining	—	
240	Auger Mining	—	
250	In Situ Processing Activities	—	

302-260	Coal Processing Plants (Not Located Within Permit Area of Mine)	—	Not proposed.
270	Variances From Approximate Original Contour Restoration Requirements	—	Not requested.
280	Variances for Delay in Contemporaneous Reclamation Requirement in Combined Surface and Underground Coal Mining Activities	—	Not requested.
290	Small Operator Assistance Program (SOAP)	—	Not proposed.

302-300	Special Areas of Mining	—	Under assessment.
301	Prime Farmland	—	To be determined. The application includes a 1981 document on lands in a former project area. The Division will coordinate with the NRCS to make a finding concerning prime farmland for the current project area.

302	Alluvial Valley Floors	<p>—</p> <p>Volume 4, Chapter 7, Section 724.700 includes a discussion, (7-8, 7-9, and 7-10) that references an AVF investigation that has not been submitted to date. However, a previous AVF investigation has been included as Appendix 7-4; the report refers to Drawings 1-9 that are not included in Appendix 7-4. A discussion of this report is provided on pages 7-8 through 7-10. This information will be considered when Division hydrologists' make their AVF findings, but additional information is needed before the Division can initiate that technical analysis and finding determination.</p> <p>The Applicant needs to provide information on crop production (crop, yield and acreage) for each landowner of agricultural land within or adjacent to the proposed permit area. Locations of irrigation diversion structures must be shown on a map. Also, the alluvium, and stream laid deposits, ground water (in particular near-surface ground water), direction of flow, must be mapped for all areas on or adjacent to the proposed permit area. [jch 8/15/2006, jds 8/17/2006, pwb]</p>
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