0020

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

June 10, 1999

To: File

Thru: Joe Helfrich, Permit Supervisor, Compliance

From: Peter Hess, Reclamation Specialist III PHH

RE: Quitchupah Road Issue, June 8, 1999 Emery County Public Lands Council Meeting (ECPLC), Canyon Fuel Company, SUFCO Mine, ACT/041/002, Folder #2, Sevier County, Utah

I attended the aforementioned meeting from an information gathering perspective. The Council chambers were filled with individuals from various government entities, as well as SUFCO personnel, and concerned citizens. Mr. Tracy Jeffs, Chairman of the Emery County Public Lands Council, conducted the meeting. The following individuals spoke, and a brief description of their talk follows:

1) Ralph Okerlund, Commissioner, Sevier County

Mr. Okerlund essentially addressed the Commission's point of view about the new road from an economic perspective, advocating the benefits of same to both the Sevier County and the Emery County residents. SUFCO and the two trucking companies associated with the coal haul are the largest employer in Sevier County. Mr. Okerlund apologized to the ECPLC for not keeping same more properly informed about the development of this project.

2) Ken May, SUFCO Mine, Canyon Fuel Company

Mr. May also stressed the economic benefits to the Emery County area from the increased production potential which could occur as a result of the Quitchupah road. His remarks are included in the attached document. Mr. May noted that SUFCO already ships 1.2 million tons per year through Emery County via I-70. This volume has been controlled by the market conditions on that side of the valley. Current production levels at the Mine are at the 5.2 MTPY; according to Mr. May, they could be elevated to 6.5 MTPY. (SUFCO already has a new AO from DEQ to increase their fugitive dust emissions based on a coal throughput of 8 MTPY).

3) Tristan DeMille, Jones and DeMille Engineering, Richfield, Utah

Jones and DeMille Engineering is the design contractor doing the work for the Quitchupah road. Mr. DeMille discussed numerous design aspects of the road, as well as economic benefits for both the Sevier County and Emery County areas. Mr. DeMille was asked numerous questions relative to wildlife, cattle grazing, and Native American archaeological resources. The EA, that is being prepared by JBR, should address the issues which were asked of Mr. DeMille.

4) Wes Sorensen, Chairman of the Sevier County Special Service District/Manager of Technical Services, SUFCO Mine, Canyon Fuel Company

Mr. Sorensen's discussion was brief, but stressed the importance of the Quitchupah road to both the Mine and the Sevier/Emery County area, from an economic point of view.

5) Ms. Linda Matthews, JBR Environmental Consultants, Inc.

Ms. Matthews gave a brief discussion of the EA process. Mr. Joe Jarvis indicated that the target date for the EA is September 1999. This is dependent upon finalization of the road alignment by Jones and DeMille.

There are at least 26 Native American archaeological sites in Quitchupah Canyon.

6) Mr. Rob Marowka, Forest Supervisor, USFS Fishlake National Forest, Richfield, Utah

7) Dave Henderson, USBLM, Richfield, Utah

8) Representatives from the Paiute Tribe, State of Utah

Numerous concerned citizens spoke; the general concensus is that most are opposed to the project.

sd

PUBLIC LANDS COUNCIL MTG.
JUNE 8, 1999
CASTLE DALE, UT.

NAME	AFFILIATION	ADDRESS / PHONE #
* Tom Rasmussen	BLM Price	125 South 600 West 636-3627
Kary Monroe	Jones & DeMille Eng.	Richfield, Ut. 896-8266
Tristan DeMille	" "	" " 896-8266
Linda Matthews	JBR	Sandy, UT 801-943-4140
Joseph M. Davis	JBR	Cedar City, UT 435 682-87
Wess Sorensen	Sevier County SSD #1	Salina, UT 435 529-76
* Ken May	Canyon Fuel Co. (SUFCO)	Salina Ut. 435-529-37
Deborah Lee	Paiute Tribe of Utah	440 N Paiute Dr Cedar City Utah
Lanaver Dionecar	Konsharem Band Chair, Richfield	437 N 700 E Richfield
Glenn Dickson	Rep USAS - Paiute Tribe of Ut.	715 50 960 W. Richfield
Russell Lemmon Duke Chamoumin	Paiute Tribe of Utah	440 N. Paiute Dr, Cedar City Ut 435-586
Ted R. Olsen	Sevier Co. Commission	440 W 6th No Richfield
* Gary Mason	Sevier Co. Commissioner	250 No Main Richfield 896-92
Ralph Okerlund	"	58 West Hwy 118, 577- Monroe, Utah
* Richard Pick	Canyon Fuel Co.	801-569-4706
Ralph Becker	Bear West / Canyon Fuel	801-355-8816
Craig Harmon	BLM - Richfield	(435) 896-1500
* Dave Henderson	BLM - Richfield	(435) 896-1500
* Ray Erickson	BLM Richfield	896-1500
Sam Singleton	Emery Co. Historical Society	384-2692
John Schoutelt	Emery Town resident	P.O. Box 178 Emery 84522 381-2902(W) 286-2249(H)
Merlin Christiansen	Emery Town resident	PO Box 36, Emery, UT 84522
Jean Christiansen	Emery town resident	286-2348
* John Healy	USAS - Ferron/Price RD	384-2372
Bob Grimes	Hansen, Allen & Luce Inc	PO Box 777 Price 637-5032
Bryant Anderson	Em Co P&Z	
Paula Hallinger	Emery Co. Resident	P.O. Box 3, Orangeville 748-2
FRED S. JENKINS	CARBON CO RESIDENT	880 N. 200 E, PRICE 637-3
* Dale Stanley	UDOT - Price	940 S. Carbon - Price 636-140
Layne Miller	Friends of Manti	637-89
Carrie Lou Greenwood	Castle Valley Ranch	Emery 286-2277
* ROB MROWKA	FISHLAKE N.F.	115 E 500 N, RICHFIELD, 84701
Wes Curtis		435-896-9233
Fred Johnson	Castle Valley Ranch	Emery 286-2367
Gordon Johnson	Castle Valley Ranch	Emery 582-7838
Bernetta Johnson	" " "	" "
STEVE WILLIAMS	FERRON RESIDENT	FERRON 384-2802
* Mike Williams	Emery Mayor	Emery 286-2417
Steve Behling	Council	FERRON 384-2799
STERLING PRINCE	CO. GAS PRODUCERS' COUNCIL	PRICE/613-0416

EMERY COUNTY
PUBLIC LANDS COUNCIL

QUITCHUPAH ROAD

JUNE 8, 1999

CANYON FUEL COMPANY, LLC
SUFCO MINE

Canyon Fuel Company, LLC is a Limited Liability Company which was formed in 1996 as a result of the sale of Coastal's Utah coal mining properties. Canyon Fuel Company is owned 65% by Arch Western Resources and 35% by Itochu Corporation of Japan.

Canyon Fuel Company owns and operates three coal mines in Utah: The SUFCO Mine in Sevier and Emery Counties, the Skyline Mine in Carbon and Emery Counties and the Dugout Canyon Mine in Carbon County.

The SUFCO Mine is located approximately 30 miles northeast of Salina, Utah. The mine was opened in 1941 and has operated continually since that date. Coastal purchased the mine in 1973 and began operating it in 1974. ARCO Coal and Itochu purchased the mine in 1996. ARCO later sold its interest to Arch Coal in 1998. Incorporating state-of-the-art mining technology and advanced mine management practices, SUFCO has become one of the most efficient underground mines in the world. Under the new leadership of Canyon Fuel Company, the future looks even brighter for the local area and for the company's employees.

The SUFCO Mine has coal reserves in excess of 130 million tons including reserves in the recently acquired Pines Tract. Reserves are located in Sevier and Emery Counties. This reserve base assures the mine a 15 to 20 year operating life. The mine's primary markets are power and industrial customers in the West and Midwest with a growing volume of export sales.

EMERY COUNTY PUBLIC LANDS COUNCIL
QUITCHUPAH ROAD
POTENTIAL QUESTIONS AND ANSWERS

1. What is the Quitchupah Road proposal?	
A. Location of road	The road would be built in Quitchupah Canyon connecting the existing paved Sevier County Road at a point one mile before the SUFCO Mine to State Route 10 about 2.9 miles south of Emery City. The road is located in Sevier and Emery Counties; 8.65 miles and 0.75 miles respectively.
B. Width of road	The road would be two-lane and have a width of 32 ft.
C. Use of road	The road would benefit the SUFCO Mine by allowing a shorter route to the Emery and Carbon county areas. SUFCO has historically shipped up to 0.3 and 1.2 million tons to the east using I-70 and SR-10. The road would also allow quicker and easier access for mining related supply businesses from Emery and Carbon counties that service the SUFCO Mine. The road would allow a shorter and safer route in winter for Emery County residents employed in Sevier County and vice versa. Additionally, it would provide better access to the Accord Lakes recreational area for those coming from the Emery County area. Rancher access to their grazing allotments could also be quicker and easier. Access to the livestock auction in Salina would also be improved.
D. Mitigation	The road would be built to serve multiple users. Cattle underpasses and fencing would be used to allow cattle to pass under the road rather than cross the road. Archaeological sites would be dealt with in a manner approved by SHPO. Stream crossings and wetlands would be dealt with in an environmentally responsible manner as approved by the appropriate regulatory authorities.
2. How will the environmental consequences of the road be evaluated and mitigated?	By law an Environmental Assessment or Environmental Impact Statement must be conducted by the BLM and USFS. The road design and use will have to address the concerns developed in the EA or EIS.
3. How will the Quitchupah Road affect the operations of the SUFCO Mine and what will be the effect on coal production from not building the Quitchupah Road?	The Quitchupah Road would allow more efficient transportation to and from the mine from the Emery and Carbon county areas. The road would allow mining vendors to respond to emergencies and routine needs faster. It would allow coal to be shipped east more efficiently. The road would have little effect on the amount of production from the mine in current market conditions. If markets develop for production above 6.5 million, the road would provide an additional route and less congestion on the existing county road.

4. How will the Quitchupah Road affect the truck travel from the SUFCO Mine in Emery County?	It would decrease the truck traffic on SR-10 between Quitchupah Creek and I-70. The total number of trucks using the road would be determined by markets to the east of the SUFCO Mine. Historically, SUFCO has shipped up to 1.2 million tons per year to supply these markets.
5. How will the people of Emery County be affected by the Quitchupah Road?	
A. Effect on potential employment.	Emery City would be within 14 miles of the SUFCO Mine. This would make Emery City the closest town to the SUFCO Mine. Mining and trucking jobs would be more accessible to the residents of Emery County.
B. Effect on potential suppliers and services.	The cost of transportation to the SUFCO Mine would be decreased. This should make it more profitable for the suppliers to do business with the SUFCO Mine.
C. Effect on the environment in Quitchupah Canyon.	We expect little effect after road construction is complete. Paved roads have little effect on the area they are running through.
6. How will the Quitchupah Road affect the livestock operations in the Canyon?	
A. Grazing	The impacts to grazing are being evaluated in the EA that is in the process.
B. Cattle movements	The impacts to cattle movements are being evaluated in the EA that is in process. There are several alternatives being evaluated. Cow passes, fences and gathering corrals can be constructed after coordination with the local cattle association.
C. Truck-cow accidents and compensation	A long, standing policy has been in place to compensate cattle owners for livestock hit by coal trucks on the Sevier County road where open range exists. This policy would be used on the Quitchupah Road as well. If changes are needed, these can be addressed and agreement reached between the trucking companies and cattle owners.
7. What are the effects on the environment of Quitchupah Canyon?	
A. Character of Canyon	Placing a paved road in the Canyon will increase vehicular traffic, but it is believed that the Quitchupah Road will primarily serve local traffic.
B. Archaeological sites	Archaeological sites will be avoided wherever possible. The narrow nature of the canyon in the upper reaches may require disturbance of "camp sites". These sites will be dealt with in a manner approved by SHPO.

C. Recreational access	The paved road would allow better access up the canyon to recreational areas on the USFS and at Accord Lakes.
8. What are the possible alternatives to the Quitchupah Road?	
A. Existing route	Currently, truck traffic and most vehicle traffic to the area uses SR-10, I-70 and the existing paved Sevier County Road.
B. Conveyor system	A conveyor system for transporting coal down the canyon would require a large number of transfer points and a coal yard at its terminus where trucks could be reloaded to supply the markets. An improved, all-weather road would be necessary to service the conveyor system.
C. Link Canyon	SUFCO Mine does not have a portal in Link Canyon. A planned portal was abandoned in 1998 because of a hot zone encountered in the coal seam. To haul coal from Link Canyon would require construction of an extensive coal loading facility in Link Canyon.
9. What is the process for making decisions about the Quitchupah Road?	An Environmental Assessment (EA) is being prepared on the project at the direction of BLM and USFS. The draft EA will be published for public comment. The final EA will deal with comments and feasibility of the road. A decision document on the building of the road will be issued by the BLM and USFS.
10. How will citizens and County governments be involved in decisions on the road?	Sevier County has requested that the existing road be upgraded to a paved, all-season road capable of handling coal truck traffic. Citizens and governmental agencies have input into the EA and the resulting decision to build or not to build the road.

LIST OF VENDORS FOR SUFCO MINE LOCATED IN EMERY COUNTY

1. Chute Supply
2. CT&E, Huntington
3. Emery Telephone
4. Genco Mine Services
5. Industrial Electric Motor Services
6. Industrial Mine Supply
7. Kit Anderson Trucking
8. Kerwin Jensen Trucking
9. Long Airdox
10. Mac's Mining Repair
11. Mine Hydraulics
12. Opacitek Environmental
13. Prime Repair
14. San Rafael Works
15. Utah Power & Light
16. Val's Fire Extinguisher Service

1998 VENDOR PAYMENTS

Carbon County	$ 8,148,313
Emery County	$ 1,988,828
Sanpete County	$ 110,581
Sevier County	$ 1,926,603

The above does not include trucking, payroll or generally assessed property taxes.

EMPLOYMENT LINKED DIRECTLY TO CANYON FUEL COMPANY'S SUFCO MINE FROM EMERY COUNTY

- SUFCO Mine
  1 – Full time employee
  1 – Contract Miner

- Trucking Companies
  1 – Robinson Transport
  7 – Barney Trucking
  11 – Leased Trucks

TOTAL 21

COAL MOVED BY TRUCK THROUGH EMERY COUNTY

1995	350,000 TONS
1996	1,100,000 TONS
1997	750,000 TONS
1998	1,200,000 TONS