0003

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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)

CERTIFIED RETURN RECEIPT
P 074 978 515

January 19, 1999

Ken May, General Manager
Canyon Fuel Company, LLC
SUFCO Mine
397 South 800 West
Salina, Utah 84654

Re: Approval of Right to Mine in Underground Right of Way (3,925 Feet), Canyon Fuel Company, LLC, SUFCO Mine, ACT/041/002-99-1, Folder #3, Sevier County, Utah

Dear Mr. May:

The underground right of way, including 3, 925 feet of three entries with cross cuts into the lower Hiawatha coal seam northeast of Box Canyon is approved. The Division has the clean copies, but request 8 copies of the permit area map by February 19, 1999, no other maps will be required to be updated at this time.

Enclosed is the decision document for this permitting action. Due to the fact that the permit area was extended, the permit has been revised. Please sign both copies and return one to the Division.

If you have any questions, please call me or Pamela Grubaugh-Littig.

Sincerely,

Lowell P. Braxton
Director

tam
Enclosure: Decision Document; Revised Permit
cc: Ranvir Singh, OSM, WRCC
Richard Manus, BLM
Janette Kaiser, USFS
Rob Mrowka, USFS
Mark Page, Water Rights, w/o
Dave Ariotti, DEQ, w/o
Bill Bates, DWR, w/o
Price Field Office
O:\041002.CON\FINAL\APPROWIB.WPD

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT AND
TECHNICAL ANALYSIS

Canyon Fuel Company, LLC
SUFCO Mine
Underground Right-of Way/Right to Mine
ACT/041/002
Sevier County, Utah

January 19, 1999

CONTENTS

* Administrative Overview
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  - Biological Determination, January 7, 1999
  - Environmental Analysis/Categorical Conclusion/Decision Memo, dated January 8, 1999 (Prepared by FS and BLM)
* AVS Recommendation, Memo dated January 15, 1999

ADMINISTRATIVE OVERVIEW

Canyon Fuel Company, LLC
SUFCO Mine
Underground Right of Way/Right to Mine
ACT/041/002
Sevier County, Utah

January 19, 1999

PROPOSAL

Canyon Fuel Company, LLC proposes to drive underground entries northward, a distance of 3,925 feet, from the SUFCO mine permit boundary into an area of unleased Federal coal (proposed Federal Lease U-63214). This proposed ROW is located at the northeastern corner of the current permit area for the SUFCO Mine on the Ferron-Price Ranger District of the Manti-LaSal National Forest. This is an amendment to the SUFCO mine permit, but requires a change to the permit because it extends outside the permit area.

BACKGROUND

Convulsion Canyon Mine (now called the SUFCO Mine) is located approximately 30 miles east of Salina, Utah, with the surface facilities and access partly on U.S. Forest Service land in East Spring Canyon, within Section 12, Township 22 South, Range 4 East, Sale Lake Baseline and Meridian. The mine commenced operation in 1941, mining federally-owned coal.

The original mine plan was submitted to the U.S. Geological Survey (USGS) and the Utah Division of Oil, Gas and Mining (DOGM) in 1977. Additional information was submitted, and the mine plan was approved by DOGM pursuant to the Utah Mined Land Reclamation Act on September 14, 1977. The USGS approved the plan on February 3, 1978.

The permit application was determined complete on July 18, 1983. A permanent program permit was issued Coastal States Energy Company on May 19, 1987, consisting of five federal leases (U-28297, U-062343, U-0149084, SL-062583, U-47080) and one fee lease for a total of 7,355 acres. The waste rock site was approved on August 26, 1988 which brought the total area to 7395 acres.

On July 3, 1989, an application was made to add another federal lease known as the Quitchupah lease to the permit area. Approval for the new lease was obtained and

a revised permit was issued effective December 21, 1989. This new lease brought the total permit area to 17,301 acres.

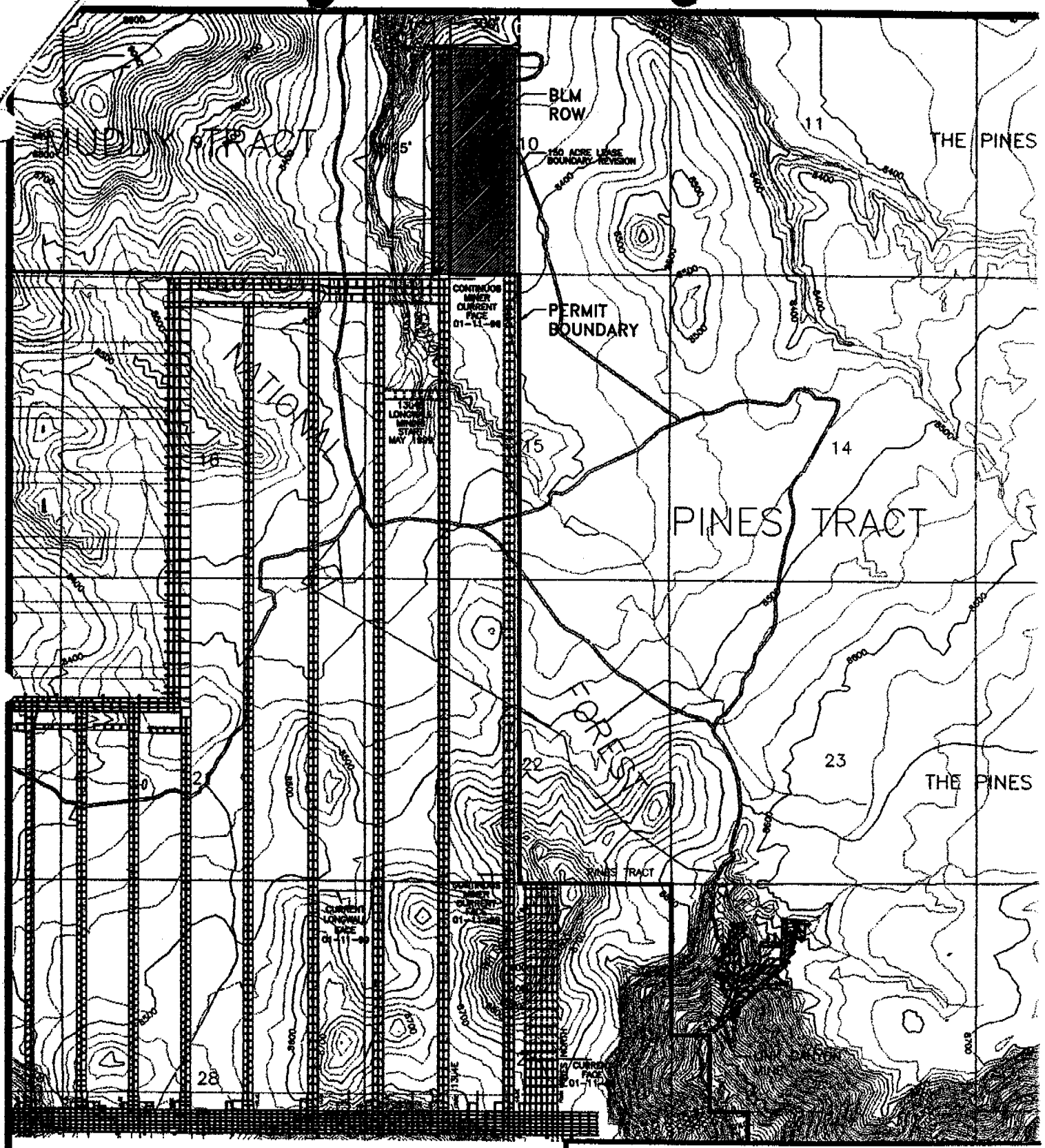
On December 20, 1996, the permit was transferred to Canyon Fuel Company, LLC.

ANALYSIS

The proposed entries would be full-support, and there would be no associated mining-induced subsidence or surface disturbance. The ROW would not preclude future mining in the proposed lease modification area by the proponent, or another company. This underground right of way is an underground addition only and the area will be mined from existing workings with no surface disturbance. No adverse impacts to the hydrologic balance will result from this 3,925 foot addition.

RECOMMENDATION

Canyon Fuel Company, LLC has demonstrated that increasing the current permit boundary with this underground right of way addition can be done in conformance with the Surface Mining Control and Reclamation Act, and the corresponding Utah Act and performance standards. The Decision Memo for the categorical exclusion prepared by the FS also concludes that no impacts are associated with this permitting action. The 510 (c) report on the Applicant Violator System for this mine has an "issue" recommendation, (see attached memo dated January 15, 1999.)



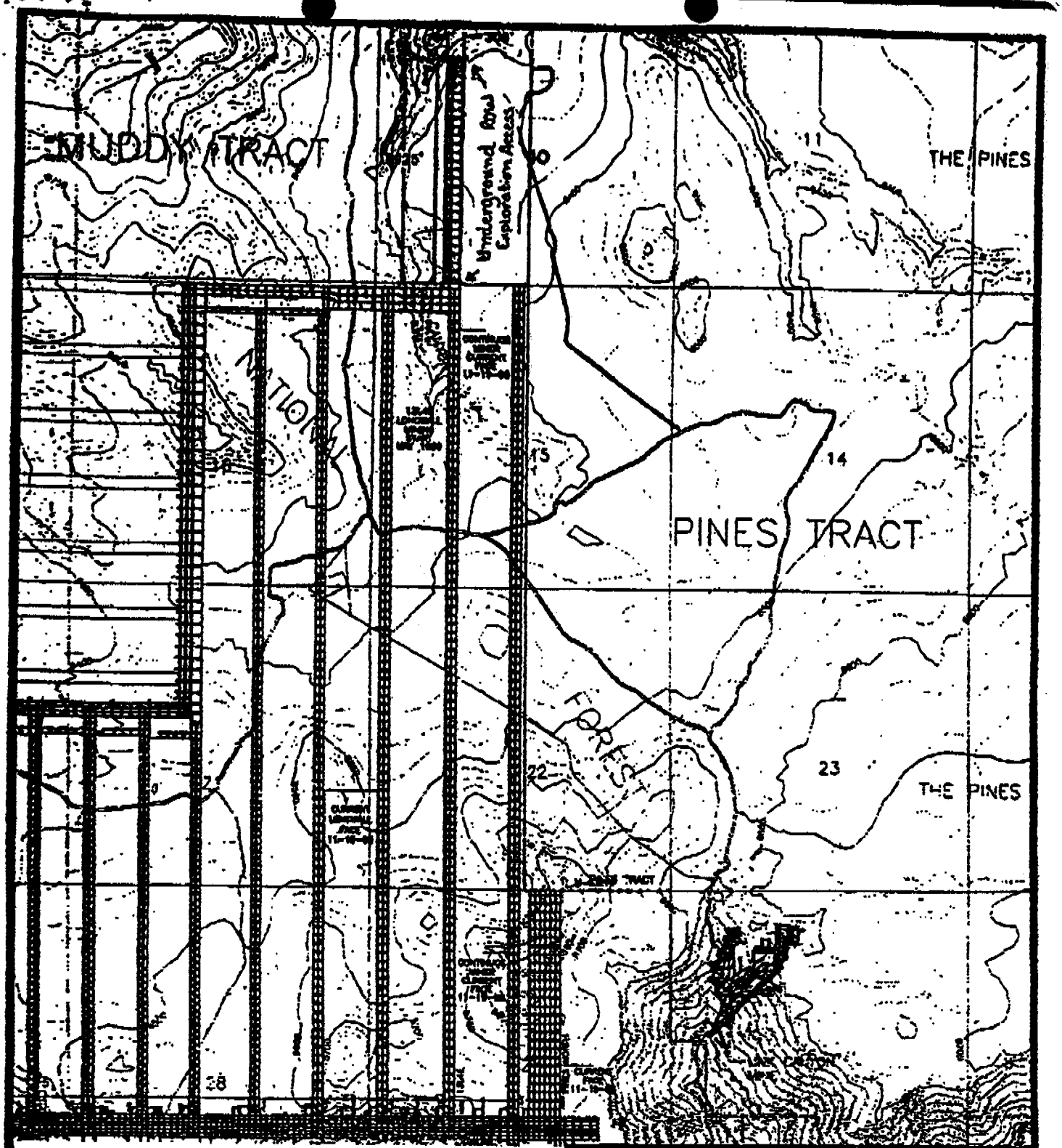
RECEIVED
JAN 12 1999
DIV. OF OIL, GAS & MINING

1-34A

Canyon Fuel Company, LLC
SUFCO Mine

BLM ROW ACCESS TO 150-ACRE LEASE MODIFICATION AREA

DATE: 01-11-99	SCALE: NONE
397 SOUTH 800 WEST SALINA, UTAH 84654	DRAWN BY: BDH
FILENAME: H:\DRAWINGS\PINES\EXPLOR-ACCESS.DWG	



PROJECT MAP

Canyon Fuel Company, LLC
SUFCO Mine

EXPLORATION ACCESS
UNDERGROUND ROW

DATE: 11-20-98	SCALE: NONE
397 SOUTH 800 WEST SALINA, UTAH 84654	DRAWN BY: BDH
FILENAME: H:\DRAWINGS\PINES\EXPLOR-ACCESS.DWG	

FINDINGS

Canyon Fuel Company, LLC
Underground Right of Way/Right to Mine
SUFCO Mine
ACT/041/002
Sevier County, Utah

January 19, 1999

1. The revised plan and the permit application for driving gateroads for a potential longwall with full-support entries a distance of 3,925 feet meets all requirements of the Surface Mining Control and Reclamation Act, and the approved Utah State Program (the "Act") are in compliance. (R645-300-133.100)

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. (R645-300-133.710)

3. An assessment of the probable cumulative impacts of all anticipated coal mining and reclamation activities in the general area on the hydrologic balance has been conducted by the Division and no significant impacts were identified. See memo dated January 15, 1999 from Dave Darby, Reclamation Hydrologist. The Mining and Reclamation Plan (MRP) proposed under the revised application has been designed to prevent damage to the hydrologic balance in the permit area and in the associated off-site area. (R645-300-133.400 and UCA 40-10-11 (2)(c)).

4. The proposed lands to be included within the permit area are:

    a. Not included within an area designated unsuitable for underground coal mining operation (R645-300-133.220);

    b. not within an area under study for designated land unsuitable for underground coal mining operations (R645-300-133.210);

    c. not on any lands subject to the prohibitions or limitation of 30 CFR 761.11 {a} (national parks, etc), 761.11{f} (public buildings, etc.) and 761.11 {g} (cemeteries);

    d. not within 100 feet of a public road (R645-300-133.220); and

e. not within 300 feet of any occupied dwelling (R645-300-133.220).

5. The operation would not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habitats as determined under the Endangered Species Act of 1973. See Biological Determination, dated January 15, 1999 (16 USC 1531 et seq.) (R645-300-133.500)

6. The Division's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800). See Decision Memo, from the Forest Service, dated January 8, 1999. (R645-300-133.600)

7. The applicant has the legal right to enter into and mine the gateroads for a distance of 3, 925 feet through an underground right of way/right to mine issued by the Bureau of Land Management (See ROW issued on January 15, 1999) (R645-300-133.300)

8. 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 Canyon Fuel Company, LLC or any affiliated 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 (A 510 (c) report was run on January 15, 1999, see memo to file dated January 15, 1999). (R645-300-133.730)

9. 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.

10. The applicant has posted a surety bond for the SUFCO Mine in the amount of $3,988,000. No additional surety will be required, since there is no additional surface disturbance proposed. (R645-300-134)

11. No lands designated as prime farmlands or alluvial valley floors occur on the permit area. (R645-302-313.100 and R645-302-321.100)

12. The proposed postmining land-use of the permit area is the same as the pre-mining land use and has been approved by the Division and the surface land management agency.

13. The Division has made all specific approvals required by the Act, the Cooperative Agreement, and the Federal Lands Program.

14. All procedures for public participation required by the Act, and the approved Utah State Program are in compliance. This is an amendment to the permit and no public notice was required. (R645-300-120)

15. No existing structures will be used in conjunction with the proposed underground mining of the gateroads. (R645-300-133.720)

Permit Supervisor

Permit Supervisor

Associate Director of Mining

Director

O:\041002.CON\FINAL\ROWIBC.

FEDERAL **January 19, 1999**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340

This permit, ACT/041/002, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Canyon Fuel Company, LLC
6955 South Union Park Center, Suite 540
Midvale, Utah 84047
(801) 596-7111

for the SUFCO Mine (previously the Convulsion Canyon Mine.) Canyon Fuel Company, LLC is the lessee of federal, state and fee-owned property. A performance bond is filed with the DOGM in the amount of $3,988,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to underground conduct coal mining and reclamation activities on the following described lands within the permit area at the SUFCO Mine situated in the state of Utah, Carbon County, and located:

Township 21 South, Range 4 East, SLBM

Section 12: E1/2 SE1/4;
Section 13: E1/2 NE1/4, S1/2;
Section 14: E1/2 SW1/4, SE1/4;
Section 23: E1/2, E1/2 W1/2;
Section 24: All;
Section 25: All; and
Section 36: All.

Township 21 South, Range 5 East, SLBM

Section 10:	Beginning 1,489.47 Ft. West of the South 1/4 Corner; Thence North 3,925 ft., Thence East 300 Ft., Thence South 3,925 Ft., Thence West 300 Ft., to point of beginning;
Section 15:	W1/2;
Section 16 thru 21:	All;
Section 22:	W1/2;
Section 26:	W1/2 NW1/4 SW1/4, SW1/4 SW1/4;
Section 27 thru 34:	All; and
Section 35:	Lots 1, 2, W1/2 NW1/4, N1/2 SW1/4.

Township 22 South, Range 4 East, SLBM

Section 1:	All;
Section 12:	N1/2, N1/2SE1/4, portion of NE1/4SW1/4; and
Section 18:	NW1/4NE1/4.

Township 22 South, Range 5 East, SLBM

Section 3:	Lots 1-4, S1/2 N1/2, NE1/4 SW1/4, S1/2 SW1/4, N1/2 SE1/4, SW1/4 SE1/4;
Section 4:	Lots 1, 2, S1/2 NE1/4, SE1/4 SE1/4, W1/2W1/2;
Section 5:	All;
Section 6:	All;
Section 7:	All;
Section 8:	All;
Section 9:	NE1/4NE1/4;
Section 10:	W1/2 NE1/4, NW1/4, N1/2SW1/4;
Section 17:	NE1/4,N1/2NW1/4; and
Section 18:	N1/2.

This legal description is for the permit area of the SUFCO Mine included in the mining and reclamation plan on file at the Division. The permittee is authorized to conduct underground coal mining activities on the foregoing described property subject to the conditions of the leases, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit,

all applicable performance standards and requirements of the State Program.

Sec. 4 PERMIT TERM - This permit expires on May 20, 2002.

Sec. 5 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.

Sec. 6 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

A. have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,

B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;

B. immediate implementation of measures necessary to comply; and

C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter

backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENT - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.

The above conditions (Secs. 1-17) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: Lowell P Braxton

Date: 1/19/99

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date:

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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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)

January 15, 1999

TO: File

THRU: Daron Haddock, Permit Supervisor DRH for DH.

THRU: Joe Helfrich, Permit Supervisor JH

FROM: David Darby, Reclamation Specialist III DD

RE: Right of Way, Canyon Fuel Company, LLC, SUFCO Mine, ACT/041/002-99-1, Folder #2, Sevier County, Utah

SUMMARY:

The Bureau of Land Management submitted an underground Right-of-Way plan on January 14, 1998 for Division review and comment. The plan is proposed by Consolidated Fuels, SUFCO Mine.

TECHNICAL ANALYSIS:

HYDROLOGIC RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 701.5, 784.14; R645-100-200, -301-724.

Analysis:

The SUFCO mine proposed the right-of-way to allow the company to continue operations in accordance with their planned time table. The right-of-way forms the western gateroad to access a 150 acre block of coal proposed for future mining. The right-of-way lies outside the approved permit boundary. It will be an extension to the 13 Left 4 East gateroad.

The right-of-way will consist of three entries with cross cuts and extend approximately 3925 feet into the lower Hiawatha coal seam northeast of Box Canyon. The coal seam is approximately 920 feet deep. Only development mining is proposed for the right-of-way corridor.

Findings:

Information for the proposed right-of-way has been evaluated. It is anticipated that no subsidence will occur as a result of mining the right-of-way, and there will be no adverse impacts to surface or groundwater resources.

RECOMMENDATION:

This proposal is recommended for approval.

tam
cc: M. Suflita
O:\041002.CON\FINAL\SUFROW.WPD

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, Utah 84501

3482
UTU-77161
U-63214
(UT-070)

Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas and Mining
1594 West North Temple Street
Salt Lake City, Utah 84114-5801

JAN 19 1999

Dear Ms. Grubaugh-Littig:

Canyon Fuels Company, LLC, has submitted an application for a coal access entry right-of-way to extend development entries into an unleased block of coal north-east of the current mine workings at the SUFCO Mine, ACT/041/002. This letter is to inform you of our approval of the application and give our concurrence to adding this area into the approved permit area.

This application (UTU-77161) was submitted pursuant to Title V of the Federal Land Policy and Management Act of 1976 and governed by the regulations at 43 CFR 2800 and 3431. Canyon Fuel showed a need to extend the 14 Left 4 East longwall development entries north off of Federal lease U-63214 into unleased Federal coal in Section 10, Township 21 South, Range 5 East, SLM. This right-of-way for a corridor 3,925 feet long and 300 feet wide would allow for orderly development of the next longwall panel for an area that has been applied for lease under lease modification U-63214. The lease modification application is tied to the Pines Coal Tract Environmental Impact Statement and will not be completed timely to allow continuation of the development entries. Current safety and ventilation regulations will not allow for mining to economically backdrive the entries from the north behind a working longwall section. The coal in the area could be by-passed should the 14 Left 4 East development entries not be extended at this time. The right-of-way would also allow exploration of the area where coal data is lacking.

The right-of-way application meets all our requirements and is therefore approved. In addition, an extension of the resource recovery and protection plan (R2P2) for these three entries into the right-of-way area is complete and accepted under the requirements of the Mineral Leasing Act of 1920, as amended, and will achieve maximum economic recovery. Canyon Fuel is authorized to mine the three-entry system with no full extraction which will cause no surface disturbance. We therefore give our concurrence for adding this right-of-way to the SUFCO Mine permit area.

If you have any questions, please contact Mark Macklewicz or Stephen Falk of my staff at (435) 636-3600.

Sincerely,

Mark E Bailey

For: Richard L. Manus
Field Manager

cc: UT-921, SD, Utah
Canyon Fuels Company, LLC
SUFCO Mine
397 South 800 West
Salina, Utah 84654
Manti-LaSal National Forest
599 West Price River Road
Price, Utah 84501

United States Department of Agriculture
Forest Service
Manti- La Sal National Forest
Supervisor's Office
599 West Price River Drive
Price UT 84501
Phone # (435) 637-2817
Fax # (435) 637-4940

File Code: 2820-4

Date: January 8, 1999

Dick Manus
Bureau of Land Management
Price Field Office
125 S. 6th E.
Price, Utah 84501

Dear Dick:

Enclosed is the Forest Service Decision Memo documenting the environmental analysis/categorical exclusion, and Forest Service consent decisions regarding issuance of a negotiated sale/right-of-way by BLM for Canyon Fuel Company's proposed Underground Right-of-way for their SUFCO Mine.

As discussed in the Decision Memo, the Forest Service decision is contingent upon compliance with the provisions included in the application and BLM's regulatory requirements.

The Forest Service decision may be implemented immediately upon receipt of this letter and is not appealable by the public. It is, however, appealable by the applicant under Federal Regulations 36 CFR 251. If we receive an appeal, we will notify your office immediately.

If you have any questions, contact Carter Reed or Aaron Howe at the Forest Supervisor's Office in Price, Utah.

Sincerely,

for
JANETTE S. KAISER
Forest Supervisor

USDI-BLM PRICE OFFICE
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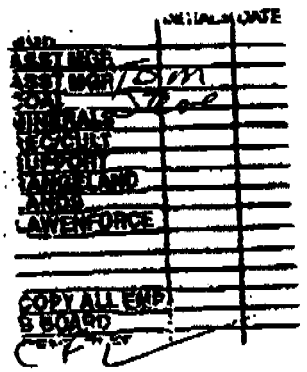
JAN -8 '99

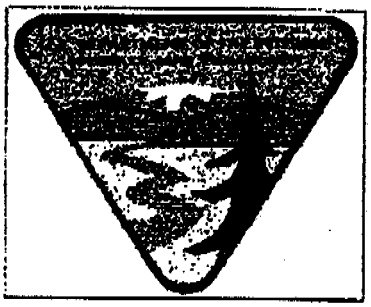


Enclosure

cc:
D-2/3
Wes Sorenson, Canyon Fuel Co., LLC

FAX

TELEFAX



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
PRICE FIELD OFFICE
125 SOUTH 600 WEST, PRICE UTAH 84501

OUR PHONE NUMBER: (435)636-3600
OUR TELEFAX NUMBER: (435)636-3657

TO: Attention: Pam

Branch/Office: _____

Company/Agency: Utah DOGM

Destination Fax Number: _____

FROM: Stephen Falk

SUBJECT: Copy of F.S. Cat. Exclusion for SUFCO underground right of way

DATE AND TIME: 1/11/99

NUMBER OF PAGES, INCLUDING THIS COVER SHEET: _____

COMMENTS: _____

FROM →

→ Mine Plan

ACT/041/002 #2

Copy Pam, Paul, Dave

Biological Determination

Canyon Fuel Company, LLC
Underground Right-of-Way
SUFCO Mine

It has been determined through the project analysis that there would be no subsidence or impacts to surface resources. Based on this analysis we have determined that there would be no affects to threatened, endangered, or sensitive plant or animal species. Therefore, there is no need for further analysis or consultations with the U.S. Fish and Wildlife Service.

Rod Player — 1/7/99 Date
Rod Player
Forest Wildlife Biologist
Manti-La Sal National Forest

Robert M. Thompson — 1/7/99 Date
Robert M. Thompson
Forest Botanist
Manti-La Sal National Forest

Decision Memo

CANYON FUEL COMPANY, LLC
UNDERGROUND RIGHT-OF-WAY
SUFCO MINE

(T. 21 S., R. 5 E., Section 10: W1/2, SLM, Sevier County, Utah,)

USDA Forest Service, Intermountain Region
Manti-La Sal National Forest
Ferron/Price Ranger District

I. INTRODUCTION

The Manti-La Sal National Forest and Bureau of Land Management (BLM) have evaluated an application for an underground right-of-way (ROW) submitted to BLM by Canyon Fuel Co., LLC. The proposed ROW is located at the northeastern corner of the current permit area for the SUFCO Mine on the Ferron-Price Ranger District of the Manti-La Sal National Forest (Map attached).

The ROW will allow Canyon Fuel to drive underground exploration entries northward, a distance of 3,925 feet, from the SUFCO mine permit area into an area of unleased Federal coal currently being evaluated for addition to Federal Coal Lease U-63214 (proposed 150-acre lease modification).

The purpose of the underground entries is to determine the extent of possible burned coal and minable reserves north of the existing lease area. The entries could be used as gateroads for a potential longwall panel if a lease modification is later issued to authorize mining.

Since the proposed entries would be full-support, there would be no associated mining-induced subsidence or surface disturbance. The ROW would not preclude future mining in the proposed lease modification area by the proponent, or another company. Considering that there would be no surface disturbance or extraordinary circumstances, the BLM and Forest Service have determined that the ROW application qualifies for categorical exclusion from preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) under Forest Service Handbook 1909.15, Chapter 30, Section 31.1b, Item 7. This category was determined appropriate because no impacts to surfaces or hydrology are anticipated, surface uses would remain essentially the same, and no issues were raised by the public or agencies during project scoping. The ROW would not affect the minability of coal reserves in the area north of the existing lease and permit area.

II. DECISIONS

The Forest Supervisor, Manti-La Sal National Forest consents to issuance of the underground right-of-way by BLM as required by the Federal Land Policy and Management Act of 1976 and Federal Regulations at 43 CFR 3431 and approval of an associated mine permit amendment or incidental boundary change (IBC) by the Utah Division of Oil, Gas and Mining under the Mineral Leasing Act of 1920, as amended; Surface Mining Control and Reclamation Act of 1977; and Federal Regulations contained in 30 CFR 700 to end.

The proposal, as submitted, would provide adequate protection of Forest resources. There is no need for additional terms and conditions for the protection of Forest resources. The proposal is consistent with all Forest Plan requirements.

The Forest Service decisions will be implemented via transmittal of this Decision Memo and consent letters that will be sent to the BLM Utah State Director and the Director, Utah Division of Oil, Gas and Mining.

III. RATIONALE FOR THE DECISION

This decision was made after careful consideration of the proposal, public involvement, and the entirety of the supporting record. No one fact or single piece of information led to the decisions. Rather, a combination of factors contributed to it. The key considerations are discussed in the following sub-parts.

Relationship to the Purpose and Need:

The general purpose and need for this project is to accomplish the following goal of the Forest Plan: "Provide appropriate opportunities for and manage activities related to locating, leasing, development, and production of mineral and energy resources." (Forest Plan, p. III-4).

The project-specific purpose and need of the proposed action is to provide for development of the coal resource to meet the energy needs of the United States while providing protection of natural resources of the National Forest consistent with Forest Service policy and Forest Plan direction. Specifically, the purpose is to determine the extent of minable coal and naturally burned coal areas in the area north of the existing lease and permit area.

The decisions wholly meet the project's purpose and need. Meeting this purpose and need also allows the BLM to meet their responsibility regarding coal leasing maximum economic recovery (MER) of coal.

Relationship to Other Alternatives Considered:

The responsible officials have reviewed the application and authorities regarding the proposal and associated decisions.

The decisions would meet Forest Plan direction to: "Provide appropriate opportunities for and manage activities related to locating, leasing, development, and production of mineral and energy resources." (Forest Plan, p. III-4).

The option of withholding Forest Service consent was considered but dismissed largely because the proposal meets Forest Plan objectives of providing for coal exploration and development and protection of Forest resources.

Relationship to Existing and Potential Resource Conditions:

The responsible official has considered existing resource conditions and potential environmental effects in making the decisions.

Relationship to Public Involvement:

Public comments were sought and considered throughout the planning process for this project. No comments were received and no issues were identified.

Relationship to Laws and Regulations:

The decision is consistent with applicable laws, regulations, and policies.

IV. PUBLIC INVOLVEMENT

Legal notices describing the proposal and requesting issues/comments were published in the *Sun Advocate* (Price, Utah) on November 26, 1998, *Emery County Progress* on December 1, 1998, and *Richfield Reaper* (Richfield, Utah) on December 2, 1998. Letters describing the proposal and requesting issues/comments were mailed to 46 interested individuals/agencies on November 30, 1998. No comments were received.

V. FINDINGS REQUIRED BY OTHER LAWS AND REGULATIONS

To the best of our knowledge, the decisions comply with all applicable laws and regulations. In the following, the association of the decisions to some pertinent legal requirements are summarized.

Federal Land Policy and Management Act of 1976: This Act allows the granting of underground Rights-of-Way and land use permits on National Forest System lands. The regulations at Code of Federal Regulations Title 43 CFR 3431 and 36 part 251 (36 CFR 251) guide the issuance of permits under this Act. Permits are granted on National Forest System lands when the need for such is consistent with planned uses.

National Forest Management Act of 1976: The Forest Plan was approved November 5, 1986, as required by this Act. This long-range land and resource management plan provides guidance for all resource management activities in the Forest. The National Forest Management Act requires all projects and activities to be consistent

with the Forest Plan. The Forest Plan has been reviewed in consideration of this project. The decisions will be consistent with the Forest Plan.

Coal Leasing Amendments Act of 1975: Forest Service consent to approval of mining operations by the Utah Division of Oil, Gas and Mining (including conditions for protection of non-coal resources) is required under this act. Approval of this decision memo constitutes Forest Service consent to both BLM and UDOGM.

Surface Mining Control and Reclamation Act of 1977(SMCRA): This act gives the Department of the Interior, Office of Surface Mining (OSM), primary responsibility to administer programs that regulate surface coal mining operations and the surface effects of underground coal mining operations. Pursuant to sections 503 and 523 of SMCRA, under the oversight of the OSM, the Utah Division of Oil, Gas and Mining regulates surface coal mining and the surface effects of underground coal mining on Federal and non-Federal lands within the State of Utah. On National Forest System lands, consent must be obtained from the Forest Service, as the surface management agency, prior to approval of mining activities, including exploration drilling. Approval of thisdecision document constitutes Forest Service consent for approval of the mine permit amendment or IBC.

National Historic Preservation Act: No subsidence or disturbance of surface resources is expected, therefore, there is no need to inventory cultural resources. The proposal would not result in any impacts for cultural or historic resources. Paleontological resources likely to be encountered in the underground mine workings are not considered to be scientifically significant.

Endangered Species Act: The proposal will not result in subsidence or any impacts to surface resources, therefore there is no need to further evaluate threatened, endangered, or sensitive plant or animal species. A statement by the certified wildlife biologist is attached.

National Environmental Policy Act: The entirety of documentation for this project supports that the project analysis complies with this Act.

VI. IMPLEMENTATION DATE AND APPEAL OPPORTUNITY

Implementation of the Forest Service decisions may occur immediately upon signature of the Forest Supervisor on this document.

The Forest Service decisions are not subject to appeal by the public in accordance with the Code of Federal Regulations Title 36 part 215.

The Forest Service decisions are subject to appeal by the applicant under Code of Federal Regulations Title 36 part 251.

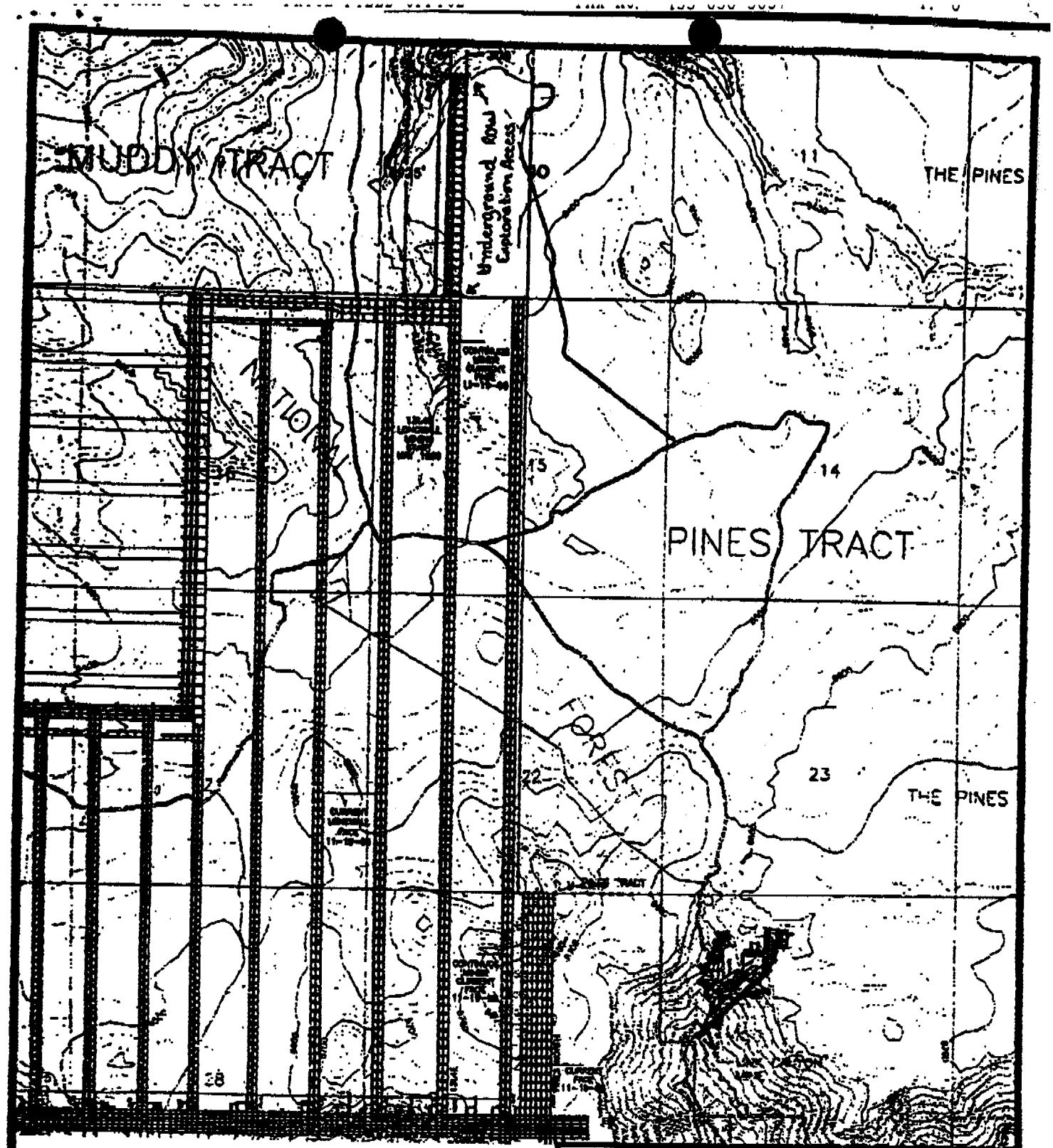
VII. CONTACT PERSON

For additional information concerning the Forest Service decisions, please contact Carter Reed at the USDA Forest Service, Manti-La Sal National Forest, Forest Supervisor's Office (address: 599 West Price River Drive, Price, UT 84501; telephone: 435-637-2817).

VIII. SIGNATURE AND DATE

JANETTE S. KAISER
Forest Supervisor (Responsible Official)
Manti-La Sal National Forest

Date 1-8-99



PROJECT MAP

Canyon Fuel Company, LLC
SUFCO Mine

EXPLORATION ACCESS
UNDERGROUND ROW

DATE: 11-20-98	SCALE: NONE
397 SOUTH 800 WEST SALINA, UTAH 84654	DRAWN BY: BDH

FILENAME: H:\DRAWINGS\PINES\EXPLOR-ACCESS.DWG

Biological Determination

Canyon Fuel Company, LLC
Underground Right-of-Way
SUFCO Mine

It has been determined through the project analysis that there would be no subsidence or impacts to surface resources. Based on this analysis we have determined that there would be no affects to threatened, endangered, or sensitive plant or animal species. Therefore, there is no need for further analysis or consultations with the U.S. Fish and Wildlife Service.

Rod Player 1/7/99
Rod Player Date
Forest Wildlife Biologist
Manti-La Sal National Forest

Robert M. Thompson 1/7/99
Robert M. Thompson Date
Forest Botanist
Manti-La Sal National Forest

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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)

January 15, 1999

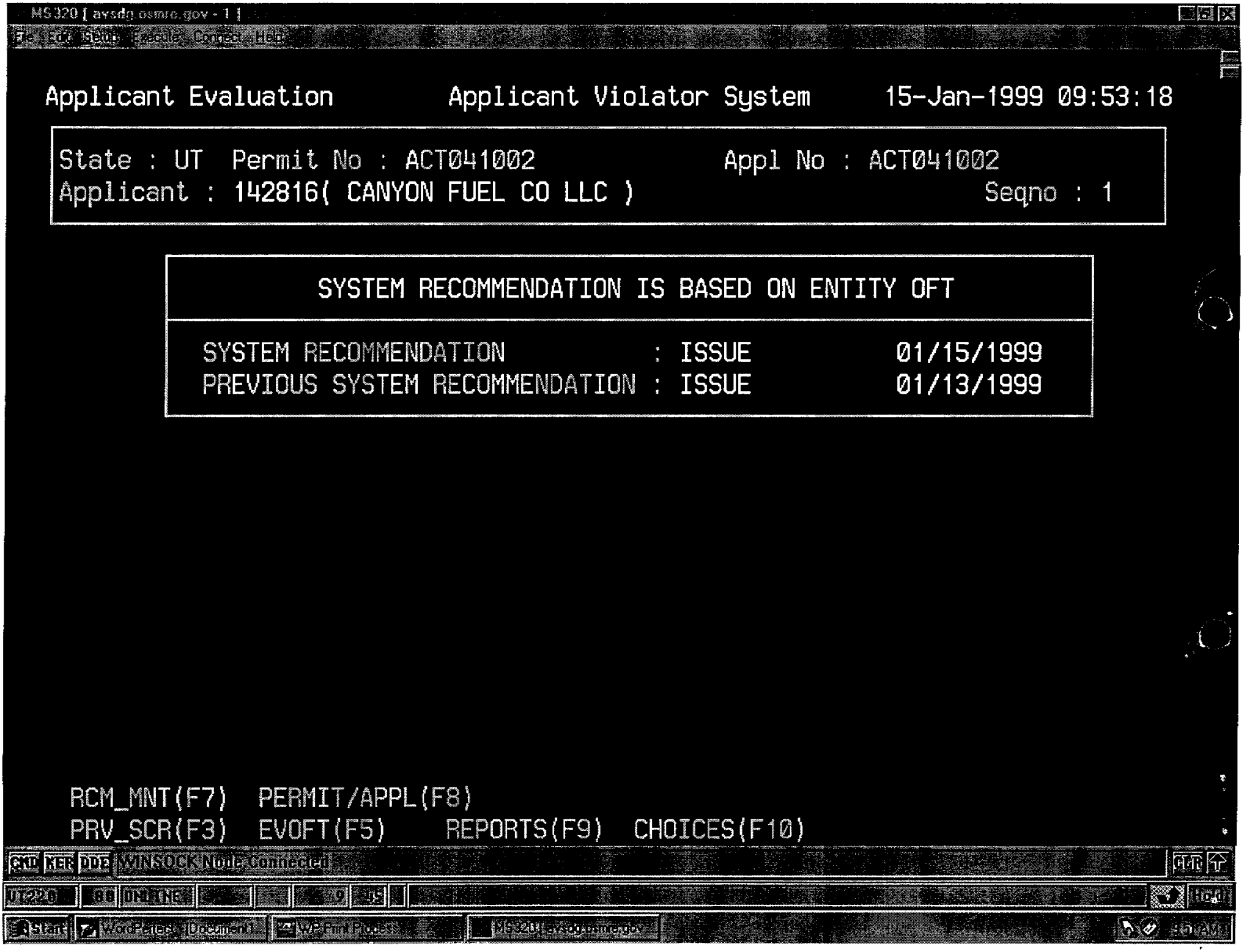
To: File

From: Pamela Grubaugh-Littig, Permit Supervisor

Re: 510 (c) Recommendation for Underground Right of Way/Right to Mine, SUFCO Mine, ACT/041/002, Canyon Fuel Company, LLC, Folder #3, Sevier County, Utah

As of this writing of this memo, there are no NOVs or COs which are not corrected or in the process of being corrected for the SUFCO Mine. There are no finalized civil penalties which are outstanding and overdue in the name of Canyon Fuel Company, LLC. Canyon Fuel Company, LLC does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is an OSM recommendation from the Applicant Violator System with an issue recommendation for the SUFCO Mine.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Appl No : ACT041002
Applicant : 142816(CANYON FUEL CO LLC)
Seqno : 1
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PREVIOUS SYSTEM RECOMMENDATION : ISSUE 01/13/1999
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