



State of Utah
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DIVISION OF OIL, GAS AND MINING

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May 9, 2002

TO: Internal File

THRU: Stephen J. Demczak, Sr. Reclamation Specialist/Engineering, Team Lead *sgd by an*

FROM: David W. Darby, Sr. Reclamation Specialist/Hydrology *[Signature]*

RE: Muddy Creek Tract Exploration, Canyon Fuel Company, LLC., SUFCO Mine, C/041/002-EX02D

SUMMARY:

Ark Land Company, a subsidiary of Arch Coal Inc., and operating on behalf of Canyon Fuel Company submitted an application to conduct exploration on March 15, 2002. Arc Land proposes to drill one hole State Institutional Trust Lands Administration's (SITLA) Muddy Creek Tract. Since exploration is proposed on a state lease, the Utah Division of Oil, Gas and Mining has primacy in the exploration permitting process. The U.S. Forest Service is the surface land manager. Ark Land also provides responses to standardized stipulations for coal drilling operations normally requested by the Manti-La Sal National Forest.

TECHNICAL ANALYSIS:

COAL EXPLORATION

Regulatory Reference: R645-200.

SCOPE AND RESPONSIBILITIES

Regulatory Reference: 30 CFR 772.1; 30 CFR 772.10; 30 CFR 772.11; R645-100-400; R645-200-100; R645-200-200; R645-201-100.

Analysis:

There has been no commitment to this regulation. The applicant should acknowledge that it is a requirement that a copy of the Notice of intent is required to be retained on site during exploration operations.

TECHNICAL MEMO

Findings:

R645-202-100, The applicant should commit to retaining a copy of the Notice of Intent to Conduct Minor Coal Exploration.

REQUIREMENTS FOR NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION

Regulatory Reference: 30 CFR 772.10; 30 CFR 772.11; R645-100-412; R645-201-200.

Analysis:

There has been no commitment to this regulation. The applicant should acknowledge that it is a requirement that a copy of the Notice of intent is required to be retained on site during exploration operations.

Findings:

R645-202-100, The applicant should commit to retaining a copy of the Notice of Intent to Conduct Minor Coal Exploration.

OPERATIONAL STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-100.

Analysis:

Diversions of Overland flows and streams

The applicant states on page 5 of the submittal that there will be no diversion of overland flows, however the proposal describes that water will be pumped from either North or South Fork of Quitcupah Creek, locations are shown on Map 2. Rule R645-301-742.312.4 requires the applicant to comply with local, Utah and federal laws and regulations. The applicant should ensure that water rights issues are addressed for diverting from the stream and that any pumping activities and that any land disturbance is restored in accordance with R645-301-742.313.

A two-foot high berm will be constructed around the drill site to prevent runoff of water or other fluids from the drill pad. Silt fence will be installed around the pad to prevent downslope movement of sediment from the drill site. The applicant states that all fluids will be contained on the project site in mud pits or portable containers.

Hydrologic Balance

The applicant states that the drill hole will be sealed using cement or a cement/bentonite slurry.

The applicant states that the drill hole will not be completed as a monitoring well, since a monitoring well will be established about one mile south west of this site.

Acid- or toxic forming materials

The applicant has committed to monitoring the core samples for acid and toxic forming materials. Samples will be taken from the 10 ft. interval above and below the Upper Hiawatha Coal seam.

Findings:

R645-202.230, The applicant should describe any potential adverse impacts to the stream channel during pumping and outline any mitigation measures that may need to be implemented. The applicant should provide concurrence from the Division of Water Rights and Forest Service for the point of diversion.

RECLAMATION STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-200.

Analysis:

Boreholes

Ark Land Company commits to plug all drill holes in accordance with Federal and State regulations, Page 14. R614-301-631.

Findings:

The applicant meets the minimum Borehole reclamation requirements of the regulation.

RECOMMENDATION:

This exploration proposal is recommended for approval.