

0011



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)

May 20, 2002

Mark Bunnell, Sr. Geologist
Ark Land Company
c/o Skyline Mine
HC 35 Box 380
Helper, Utah 84526

Re: Muddy Tract Coal Exploration, Canyon Fuel Company, LLC, SUFCO Mine, C/041/002-EX02D

Dear Mr. Bunnell:

The above-referenced amendment has been reviewed. There are deficiencies that must be adequately addressed prior to approval. A copy of our Technical Analysis is enclosed for your information. In order for us to continue to process your application, please respond to these deficiencies by August 9, 2002.

If you have any questions, please call me at (801) 538-5268 or Stephen J. Demczak at (435) 613-5242.

Sincerely,

A handwritten signature in black ink, appearing to read "Pamela Grubaugh-Littig".

Pamela Grubaugh-Littig
Permit Supervisor

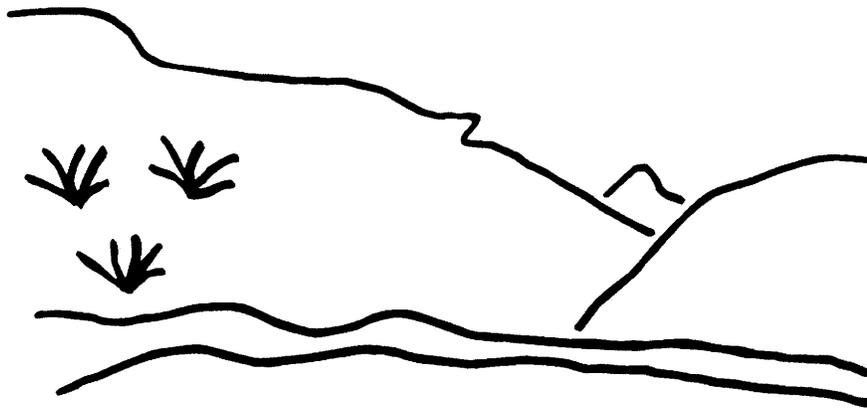
SJD/sd

Enclosure

cc: Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

SUFCO Mine
Muddy Tract Exploration
C/041/002-EX02D
Minor Exploration Analysis and Findings
May 9, 2002

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EXPLORATION TECHNICAL ANALYSIS

INTRODUCTION

Arch Coal Inc. is submitting a Notice of Intent to conduct Minor Coal Exploration on behalf of Canyon Fuel Company, LLC-SUFCO Mine. The permittee is proposing to drill one hole into the coal seam. The coal is under the jurisdiction of the School and Institutional Trust Lands Administration (SILTA). The United States Forest Service is the surface owner.

The exploration will take place on the Muddy Tract Coal Lease, seven miles from the town of Emery. The permittee will remove approximately 100 to 175 lbs. of coal from this drill hole.

The permittee plans to start drilling the second week of July 2002. It is planned that the project will take four weeks from start to finish, including the reclamation of the drill site. This may vary due to weather conditions.

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INTRODUCTION

SUMMARY OF OUTSTANDING DEFICIENCIES

SUMMARY OF OUTSTANDING DEFICIENCIES

The Technical Analysis regarding the proposed permit changes is not complete at this time, pending submittal of additional information by the Permittee and further review by the Division, to address outstanding deficiencies in the proposal. A summary of those outstanding deficiencies is provided below. Additional comments, concerns, and deficiencies may also be found within the analysis and finding make in the Draft Technical Analysis that have not been presented in this summary. Upon finalization of this review, any outstanding deficiencies will be evaluated for compliance with the regulatory requirements. Such deficiencies may be conditioned to the requirements of the permit issued by the Division, result in denial of the proposed permit changes, or may result in other executive or enforcement actions as deemed necessary by the Division at that time to achieve compliance with the Utah Coal Regulatory Program.

Accordingly, the permittee must address those deficiencies as found within this Draft Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

Regulations

- 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 U. S. Forest Service for the point of diversion..... 9
- R645-202-231**, The results of the cultural resource inventory must be included in the application. 9
- R645-202-231**, Threatened, endangered and sensitive plant and animal surveys information must be provided..... 8
- R645-202-232**, The two-track road to the drill pad must not be bladed to a 14-foot width. Evidence must be provided that the current two-track is not sufficient transportation for the drilling equipment..... 9
- R645-202-242.100**, The seed mixture must be revised to meet the requirement of this regulation. 11

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SUMMARY OF OUTSTANDING DEFICIENCIES

COAL EXPLORATION

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:

Ark Land Company has submitted information to address the requirements of the state program and to meet requirements of R645-200 through R645-203. The permittee has classified this action as a Notice of Intention to Conduct Minor Coal Exploration and to comply with the State Program. The permittee has specified that certain material not be available to the public.

Findings:

The information given is to address the requirement of State program and R645-200 through R645-203. The information that was submitted is complete.

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:

R645-201-221; This coal rule requires the applicant to give name, address, and telephone number of the applicant's representatives, who will be present at and responsible for conducting the exploration operations. This information was within the Notice of Intent.

R645-100-400, R645-200-100, R645-200-200, and R645-201-100; Ark Land Company has given a Notice of Intention to Conduct Minor Coal Exploration with a narrative and map describing the exploration area and indicating where the exploration will occur.

The permittee will transport all drilling equipment, materials, and personnel by rubber tire equipment, except a D-8 cat will be used for road work and to level off the drill site. The access to the drill site will be by using existing US Forest Service development roads. A short access road will be constructed from U.S. Forest Service development road #044.

COAL EXPLORATION

The drill site will be approximately 0.23 acres of disturbance. Earth excavation for the drill site will be by using a D-8 Cat dozer. Additional work will be done using a trackhoe and /or rubber-tired backhoe. The excavation will include removal and storage of the soil A-horizon. Material below the A-horizon will be stored separately. One of the two mud pits will be below the A-horizon.

The exploration will take place on the Muddy Tract Coal Lease, seven miles from the town of Emery. The permittee will remove approximately 100 to 175 lbs. of coal from this drill hole. This will be achieved by drilling a 3-3/16 inch diameter hole. Upon completion, the drill hole will be sealed with cement/bentonite from the bottom of the hole to ground level.

The permittee plans to start drilling the second week of July 2002. It is planned that the project will take four weeks from start to finish, including the reclamation of the drill site. This may vary due to weather conditions.

Findings:

The applicant has given all of the necessary information as requirements of R645-201-221 such as name, address, and telephone number.

The permittee has submitted the necessary information to comply with regulations R645-100-400, R645-200-100, R645-200-200, and R645-201-100 in the analysis.

COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

Analysis:

Ark Land Company will disturb the natural land surface while conducting the exploration of the additional drill hole. The drill hole site will be located in an area requiring some leveling. Drilling equipment and material will be brought in by rubber tire equipment to the sites except for the D-8 Cat dozer. This will be used for 1,300 ft of road construction and drill hole site preparation. The permittee will remove vegetation at the drill site.

The operator has committed in the Notice of Intent to clean-up spills and to scarify and seed all disturbed areas.

Findings:

The information submitted complies with the requirements of R645-202-100.

COAL EXPLORATION

OPERATIONAL STANDARDS

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

Analysis:

Biology

Golden eagle nests are located within a half-mile radius of the proposed drill site. Habitat (1997 Habitat Model) for the Mexican spotted owl has been identified within a half-mile radius of the drill site. The U.S. Forest Service will be conducting surveys for the owl in 2002 and 2003. U.S. Forest Service guidelines prohibit drilling before July 15. The U.S. Forest Service will look for sage grouse habitat and conduct goshawk surveys prior to drilling (phone call with Cara Stabb, Manti-LaSal National Forest, on April 30, 2002). The Division will look for U.S. Forest Service comments prior to approval of this application.

Threatened, endangered and sensitive plant surveys have not been conducted. Bob Thompson, U.S. Forest Service Botanist was out of the office for the week when this application was reviewed. Prior to approval, the need for survey work must be reviewed with Mr. Thompson.

The operator proposes to widen to a 14-foot width; an existing wheel track that provided access to the cattle pond. Generally, drilling operations do not require that type of clearance. Evidence must be provided that the current two-track is not sufficient transportation for the drilling equipment. The operator must commit to minimizing disturbance.

Roads

R645-202-232; Ark Land Company will use existing U.S. Forest Service Development Roads to conduct exploration. The roads that will be used are development roads #044 and #007. The permittee will also obtain a Road Use Permit from the U.S. Forest Service. This permit contains a bond in case the roads are damaged.

A short access road will be constructed from FDR #044 to the drill site as shown on Map 3. The road follows an existing wheel track that provides access to a cattle pond. The road would be widened to 14 ft. and smoothed. Road length is approximately 1300 ft. This road will be used for a short period of time. The timetable on Page 4 shows the road will be reclaimed in the fourth week of the drilling project. Therefore, this road will not be a primary road due to the short life span of the road. The acreage to be disturbed for roadwork will be 0.48 acres.

The operator proposes to widen to a 14-foot width; an existing wheel track that provided access to the cattle pond. Generally, drilling operations do not require that type of clearance. Evidence must be provided that the current two-track is not sufficient transportation for the drilling equipment. The operator must commit to minimizing disturbance.

Topsoil

Topsoil will be saved, and protected by silt fences or other types of sediment control measures. The A-horizon will be saved and soils below the A-horizon will be saved during the construction of the mud pits.

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 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:

The information provided does not meet the minimum regulatory requirements of this section. Prior to approval the permittee must provide the following in accordance with:

R645-202-231, Threatened, endangered and sensitive plant and animal surveys information must be provided.

R645-202-231, The results of the cultural resource inventory must be included in the application.

COAL EXPLORATION

R645-202-232, The two-track road to the drill pad must not be bladed to a 14-foot width. Evidence must be provided that the current two-track is not sufficient transportation for the drilling equipment.

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 U. S. Forest Service for the point of diversion.

RECLAMATION STANDARDS

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

Analysis:

Approximate original contour

Ark Land Company will scrape off the vegetation and remove the topsoil from the drill site. The total disturbed area, including the upgrade of an existing road and drill pad, is 0.71 acres.

Revegetation

The Division has found that using the extreme surface roughening methods described in The Practical Guide to Reclamation in Utah (ftp://dogm.nr.state.ut.us/PUB/MINES/Coal_Related/RecMan/Reclamation_Manual.pdf) work better for controlling erosion and establishing vegetation than crimping mulch. A surface mulch can be incorporated during the roughening process. Please commit to using this surface preparation and mulching method.

All organic material grubbed from the drill pad will be salvaged to use as a surface mulch during reclamation operations. It is recommended that only materials native to the site be used as mulch. Noxious weed free straw or hay will introduce additional non-noxious weeds.

The seed mixture does not meet the requirements of R645-202-200. The proposed species are not native to the area to be disturbed. The Operator may propose a new seed mixture or the Division will get with the U.S. Forest Service and specify a seed mixture. (Bob Thompson, U.S. Forest Service Botanist was out of the office for the week when this application was reviewed.)

Boreholes

The main drill hole diameter will be 3-3/16 inches diameter. The depth of the hole will be approximately 1,400 feet with 200 to 300 feet of surface casing.

Upon completion of the drilling, the hole will be plugged with cement or cement/bentonite slurry to its full depth. The collar of the monitor well will be identified as to hole number and operator. A brass tag will be placed at the top of the drill hole stating the operator's name, drill hole number, and legal description.

Facilities and Equipment

R645-202-244 through R645-202-244.300: All drilling equipment and materials will be removed from the drill area once drilling is completed. Sealing will start thereafter, and all equipment and material for sealing the drill hole will be removed, when sealing is completed.

No facilities are to be built during this exploration program.

Findings:

The information provided does not meet the minimum regulatory requirements of this section. Prior to approval the Permittee must provide in accordance with:

R645-202-242.100, The seed mixture must be revised to meet the requirement of this regulation.

PUBLIC AVAILABILITY OF INFORMATION

Regulatory Reference: 30 CFR 772.15; R645-203.

Analysis:

Ark Land Company has requested that the Division not make any drilling information available for public inspection relative to coal seam thickness or quality.

Findings:

The permittee has met the minimum requirements of this section in the Notice of Intent.