



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

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DIV. OF OIL, GAS & MINING

Mr. Daron Haddock
Coal Program Manager
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Haddock:

In response to the Utah Division of Oil, Gas and Mining's (UDOGM) letter dated October 18, 2012, the Forest Service has reviewed the South Fork Quitcupah Mining and Reclamation Plan amendment in order to determine if our comments and concerns have been adequately addressed.

In our previous letter to the UDOGM dated December 6, 2011, the Forest Service identified four main areas of concern needing additional attention. This letter numbers those four concerns below and notes if they have been adequately addressed in the plan amendment or by other means.

1. The proposed amendment may impact an archeological site. Therefore, the Utah State Historic Preservation Office (SHPO) needs to be consulted. Consistent with Stipulation 1 of the coal lease, Canyon Fuel Company has an archeologist that will complete surveys.

A consultation letter was sent to SHPO the week of November 19, 2012, recommending to SHPO that the archeological site be considered ineligible for the National Register. A Determination of Significance and Effect letter dated December 3, 2012, was received from SHPO concurring with the recommendation for ineligibility.

2. The proposed amendment may have significant impacts to aquatic resources. Any depletion of water from the upper Colorado River basin constitutes a "may affect" situation for the endangered Colorado squawfish, humpback chub, and bonytail chub, requiring formal consultation according to Section 7 of the Endangered Species Act of 1973, as amended. With a possibility that the proposed plan modification to allow longwall mining would alter the flow of South Fork of Quitcupah Creek, we feel the U.S. Fish and Wildlife Services needs to be consulted for this proposal.

An email from the U.S. Fish and Wildlife Service to the Forest Service on May 21, 2012, states the following:

"The U.S. Fish and Wildlife Service concurs with your determination that Canyon Fuel Company's under-mining of the South Fork Quitcupah Creek will have no effect to the endangered fish species of the Upper Colorado River Basin. Because of possible impacts to water resources, such as alteration of flows, we consider the affected area for this project to be the location of undermining at South Fork Quitcupah Creek downstream to Lake Powell.



Alterations to water resources in this affected area would have no effect to federally listed fish species because the action area does not impact designated critical habitat or occupied habitat. Also, the Upper Colorado River Basin Endangered Fish Recovery Program has no record of the action area being historical habitat for the endangered fish species.”

Based on the information provided in this email from the U.S. Fish and Wildlife Service, it is determined that Section 7 consultation is not required for the proposed undermining of South Fork Quitchupah Creek.

3. A detailed inventory and monitoring plan of the known springs, seeps, and associated riparian habitats, along with monitoring flow of the perennial stream, is necessary. We suggest monitoring once per quarter is not sufficient. The monitoring plan should include the measurement of the stream and spring flow, elevations, photos, GPS locations, etc. Frequent monitoring of water sources as mining approaches and undermining occurs is warranted to adequately assess impacts to water resources.

Information and monitoring efforts described in Appendix 3-14, Monitoring and Mitigation Plan for Undermining the South Fork of Quitchupah 2R2S Block “A” address these concerns. Also, the Probable Hydrologic Consequences report found in appendix 7-26 establishes baseline monitoring data and an inventory of groundwater and surface water resources in the South Fork Quitchupah Creek area.

4. In regards to the mining and reclamation plan, resolution of the potential issues and acceptable mitigation for loss of water in quantity and quality must be defined prior to their loss. Changes should be made to the contingency plans and description of level of water loss restoration Canyon Fuel Company should identify.

A Probable Hydrologic Consequences (PHC) report is included in appendix 7-26 of the plan amendment. The report makes a determination of PHC and gives a recommended monitoring plan for ground waters and surface waters near the South Fork Quitchupah Creek area. The purpose of Sufco’s monitoring plan, as noted in the PHC report, is to provide verification that mining-related impacts to groundwater and surface water systems do not occur, and to determine the magnitude and character of potential impacts if they do occur. Baseline monitoring data, as well as discharge measurements and water quality data are included in the PHC report.

In Appendix 3-14 the mine commits to calculate the amount of diminished flows from monitoring data and promptly provide alternate sources of water, replace or compensate any state appropriated water supply that is contaminated, diminished or interrupted by mining operations for wildlife, cattle, and drinking water.

The mine will also submit a summary report documenting the pre- and post-mining conditions of springs and stream channels. The report will describe all activities and work conducted by the mine for site evaluation and mitigation. Further, the report will identify if impacts have occurred, and if mitigation activities have prevented material damage to resources. This report will be due 90 days after subsidence monitoring is complete.

After reviewing the modified South Fork Quitchupah Mining and Reclamation Plan amendment including Appendix 3-14 and appendix 7-26, and consulting with resource specialists of the Manti-La Sal and Fish Lake National Forests I have determined that the comments and concerns

brought forward by the Forest Service in our letter dated December 6, 2011, have been adequately addressed; and I **concur** with the mine plan amendment.

In consideration of the letter submitted by the Utah Division of Water Rights (DWRi) on December 8, 2011, the Forest Service requests that **all** state appropriated water rights be monitored by the proponent.

Sincerely,

Thomas W. Floyd for

ALLEN ROWLEY
Acting Forest Supervisor