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DEPARTMENT OF NATURAL RESOURCES

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March 6, 2020

John Byars, General Manager
Canyon Fuel Company, LLC
597 South SR24
Salina, Utah 84654

Subject: Midterm Completion Response, Canyon Fuel Company, LLC, Sufero Mine, C/041/0002, Task #6058

Dear Mr. Byars:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application April 6, 2020.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Coal Program Manager

SKC/sqs

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Technical Analysis and Findings
Utah Coal Regulatory Program

PID: C0410002
TaskID: 6058
Mine Name: SUFCO MINE
Title: MIDTERM COMPLETION RESPONSE

Environmental Resource Information

Vegetation Resource Information

Analysis:

The application meets the State of Utah R645-301-320 requirements for Vegetation Resource Information.
Chapter 3 of the amendment contains a description of the Pre-Law Site Reclamation plan. For areas that were disturbed prior to the 1977 passage of SMCRA, there are no success standards (and therefore no reference areas) required unless the disturbed area is a post-Law re-disturbance of a pre-Law disturbance. Such areas must then be reclaimed to pre-disturbance vegetative cover or better (see R645-301-356.250). In the case of lands that were disturbed prior to the passage of SMCRA, that were never reclaimed, and not re-disturbed, no reference area is needed. The Permittee states that this is the case for 0.411 acres of land at Link Canyon, and approximately 25.7 acres of land at the main mine site, and that the best practice available is to establish "ground cover adequate to control erosion" for these areas. The Permittee commits to conducting a vegetation survey on a one-acre area representative of the pre-Law mine site disturbance as well as a survey on a half-acre area representative of the Link Canyon disturbance in order to create an erosion control success standard for the pre-Law disturbances. These survey locations will be agreed upon by the Permittee and the Division prior to sampling. The surveys will be conducted within one year prior to the start of reclamation in order to achieve the most accurate standard possible.

tmiller

Maps Vegetation Reference Area

Analysis:

The application meets the State of Utah R645-301-323 requirements for Vegetation Reference Area Maps.
Plate Reference Area of Appendix 3-6 indicates the location and boundaries for all eight named reference areas in the MRP. Additional maps and information can be found in the survey reports contained in Appendix 3-6.

tmiller

Operation Plan

Topsoil and Subsoil

Analysis:

The application does not meet the State of Utah R645 requirements for Soils: Operation Plan.

The mid-term review Chapter 2 Operations plan requires editing to remove outdated information . With each construction project new information has been added to the Chapter 2 narrative, which has resulted in a lengthy narrative. A summary table is requested to provide concise information about the volume of topsoil and subsoil in stockpiles and the location of the stockpiles stored for use at the Spring Canyon and Link Canyon sites.

With this amendment, the Permittee has made two adjustments to the MRP which are acceptable (1) the deletion of the reference to Section 3.1.6 on page 20 of Chapter 2 and (2) the placement of the two additional topsoil stockpiles on Map 4D in the Waste Rock Volume.

However, the other revisions in this amendment are not clear and concise, as outlined below.

There are conflicting statements on page 2-4 between the table notation "##" and the paragraph below the table on page 2-4, of Chapter 2 in the Waste Rock volume.

Mine site Volume 1 Chapter 2, Section 2.3.1.4 must indicate the total amount of topsoil and subsoil stored at the WRS which is dedicated to the Spring Canyon site at final reclamation.

In Section 2.3.2 of Chapter 2, the topsoil removal at Link Canyon is described. Redline information at the end of the paragraph states substation #1 was never constructed. A description of the disturbance and subsequent reseeded should be kept in Section 2.3.2, but the information regarding estimated volumes salvaged for substation #1 should be stricken from the plan to avoid confusion. For substation #2 the volume actually stockpiled should be reported, rather than a projected volume to be removed.

During the mid-term review, the Division requested a summary table of stockpiled volumes for topsoil and subsoil stored for use at Spring Canyon and Link Canyon. A new table was created in Section 2.3.4.2, however the table incorrectly cites the Division as a source of information. All volumes in the table are listed in the Chapter 2 Section 2.3.1.1, Section 2.3.1.4 and Section 2.3.4.2 and on Plates 5-2B, 5-2D, 5-2E, and 5-2F. These MRP citations should be noted as the source of the information.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Clear and Concise. The following deficiency must be addressed prior to final approval:

R645-301-121.200, **(1)** There are conflicting statements, on page 2-4, of Chapter 2 in the Waste Rock volume. i.e, The table "##" notation statement and the recently added narrative paragraph below the table do not agree. Each provides conflicting information about where the subsoil dedicated to return to the mine site is currently stored **(2)** Chapter 2 must have a summary table of stockpiled topsoil and subsoil volumes and storage location for Spring Canyon and Link Canyon. The table must be derived from narrative information in the text or plates, such as Chapter 2 Section 2.3.1.1, Section 2.3.1.4 and Section 2.3.4.2 and on Plates 5-2B, 5-2D, 5-2E, and 5-2F. These MRP citations should be noted as the source of the information. **(3)** MRP Chapter 2, p. 2-20 should describe the disturbance and reclamation at substation site #1, but must no longer describe the potential for salvaging 224 cubic yards from substation #1. Similarly the recently created summary table on page 2-23 should not list volumes of soil that do not exist at substation #1. **(4)** In Chapter 2, p. 2-20, please state the volume actually salvaged and stockpiled at substation #2, not the projected volume to be removed at substation #2.

pburton

Reclamation Plan

Bonding Determination of Amount

Analysis:

The Midterm review of the Mining and Reclamation Plan has determined that the State of Utah R645 requirements for Determination of Bonding Amount have not been met.

A Midterm review of the reclamation bond revealed that numerous changes and improvements were added to the bond as a result of the previous Midterm review in the early part of 2015. The current review of the reclamation bond revealed that the Overhead and Profit costs were not added to the direct unit costs at the time of the previous review.

Consequently, the bond must be updated to include Overhead and Profit in all direct unit costs in the Demolition and Revegetation sections of the bond. Additionally, the total bond amount must be escalated by the 5-year escalation rate of 2.32%.

This deficiency remains unaddressed in the recently submitted Midterm Completion Response.

Deficiencies Details:

The Midterm review of the Mining and Reclamation Plan has determined that the State of Utah R645 requirements for Determination of Bonding Amount have not been met. The following deficiency was unaddressed in the most recent Midterm Completion Response, and must be addressed prior to final approval:

R645-301-830: Permittee must update the reclamation bond to account for Overhead and Profit in all direct unit costs in the Demolition and Revegetation sections. Once Overhead and Profit costs have been added to the direct unit costs, the total bond amount must be escalated by the 5-year escalation rate of 2.32%.

jeatchel