



# United States Department of the Interior

OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
Western Region Office  
1999 Broadway, Suite 3320  
Denver, CO 80202-3050



JAN 7 2016

Jeremy Nichols  
Climate and Energy Program Director  
WildEarth Guardians  
1536 Wynkoop, Suite 310  
Denver, CO 80202

**RE: Citizen Complaint Under Surface Mining Control and Reclamation Act and Request for Evaluation of State Regulatory Program**

Dear Mr. Nichols:

Your written statement dated December 21, 2015 was received by this Office on December 28, 2015. In accordance with the Surface Mining Control and Reclamation Act, your statement has been transmitted to the Utah Division of Oil, Gas and Mining (DOG M). This State agency will be given ten days to take appropriate action to cause the alleged violations to be corrected or to show good cause for failure to do so. If the State agency fails to respond to this transmittal within ten days, if the action taken by the State agency is not considered appropriate, or if the State is unable to show good cause for such failure, a Federal inspection will be conducted. Copies of the ten-day notices are enclosed for your reference.

In addition, your written statement requests that the Office of Surface Mining Reclamation and Enforcement (OSMRE) review and evaluate the State of Utah's coal mining and reclamation regulatory program, pursuant to 30 CFR 733.12(a), to ensure it is being appropriately implemented, administered, maintained, and enforced. Specifically, you express concerns regarding Utah's practices for ensuring adequate bonding of all coal mining operations within the state. You indicate there are signs that DOGM has "inconsistently failed to increase bond amounts to account for inflation of reclamation costs at other mines in the state" beyond the three examples you provide in detail.

OSMRE will determine whether the evaluation you requested is warranted upon receipt and analysis of any response from the State of Utah pertaining to the ten-day notices. In accordance with 30 CFR 733.12(a)(2), OSMRE must accept or reject a request for evaluation of a state regulatory program based on whether the request contains specific supporting evidence and valid allegations. The specific supporting evidence you provide pertains to the three mining operations which are the subject of the attached ten-day notices. Utah's response and supporting information provided therein will assist OSMRE to determine whether your allegations may be valid and an in-depth review warranted.

You will be promptly informed of our review of any response from the State. If a Federal inspection is deemed necessary, you will be given advanced notice and the opportunity to accompany the Federal inspector on the inspection. We will also notify you if we determine that an evaluation of Utah's bonding program under 30 CFR 733.12(a) is warranted. If you have any further questions concerning this process, please contact me at (303) 293-5012.

Sincerely,



Alan Boehms, Manager  
Denver Field Branch

Cc: Michael Styler, Executive Director, Utah Department of Natural Resources  
John Baza, Director, Utah DOGM  
Joseph Pizarchik, Director, OSMRE

Enclosure:

- (1) Dugout Canyon TDN
- (2) Skyline TDN
- (3) SUFCO TDN

UNITED STATES DEPARTMENT OF THE INTERIOR  
Office of Surface Mining  
Reclamation and Enforcement

**TEN-DAY NOTICE**

Number X16-140-545-001

TV 2

Originating Office: Denver Regional Office  
US DOI, Office of Surface Mining  
1999 Broadway, Suite 3320  
Denver, CO 80202

Telephone Number: (303) 293-5000

Ten-Day Notice to the State of **Utah**

You are notified that, as a result of Citizen Information (e.g. a federal inspection, citizen information, etc.) the Secretary has reason to believe that the person described below is in violation of the Act or a permit condition required by the Act. If the State Regulatory Authority fails within ten days after receipt of this notice to take appropriate action to cause the violation(s) described herein to be corrected, or to show cause for such failure and transmit notice of your actino to the Secretary through the originating office designated above, then a Federal inspection of the surface coal mining operation at which the alleged violation(s) is occurring will be conducted and appropriate enforcement action as required by Section 521(a)(1) of the Act will be taken.

Permittee: CANYON FUEL COMPANY LLC  
(Or Operator if No Permit)

County: CARBON

Mailing Address: 6100 DUTCHMANS LANE, 9TH FLOOR, , LOUISVILLE, KY 40205

Permit Number: C0070039 Mine Name: DUGOUT CANYON

- Surface  
 Underground  
 Other

**01 NATURE OF VIOLATION AND LOCATION:**

Upon review of WildEarth Guardians letter, dated December 21, 2015, OSMRE has reason to believe that the UT DOGM has not assured sufficient bonding for completion of the approved reclamation plan.

Section of State Law, Regulation or Permit R645-301-830.200  
Condition believed to have been violated:

**02 NATURE OF VIOLATION AND LOCATION:**

Upon review of WildEarth Guardians letter, OSMRE has reason to believe that UT DOGM has inaccurately calculated the cost of reclamation by using an inflation factor from an outdated Cost Index.

Section of State Law, Regulation or Permit R645-301-830.300  
Condition believed to have been violated:

**NATURE OF VIOLATION AND LOCATION:**

Section of State Law, Regulation or Permit  
Condition believed to have been violated:

**Remarks or Recommendations:**

OSMRE received a written citizen complaint from WildEarth Guardians, dated, December 21, 2015. Upon review of the aforementioned, OSMRE has reason to believe that DOGM is in violation of SMCRA. More specifically, WEGs letter provides details that allege UT DOGM has not assured that there is sufficient bonding for the completion of the approved reclamation plan. Additionally, OSMRE has reason to believe that DOGM has inaccurately calculated the cost of reclamation by using an inflation factor from an outdated Cost Index.

Date of Notice: 01/06/2016

Signature of Authorized Rep.: John S. Shumate

Print Name and ID: John Shumate ID# 545

UNITED STATES DEPARTMENT OF THE INTERIOR  
Office of Surface Mining  
Reclamation and Enforcement

TEN-DAY NOTICE

Number X16-140-545-002 TV 2

Originating Office: Denver Regional Office  
US DOI, Office of Surface Mining  
1999 Broadway, Suite 3320  
Denver, CO 80202

Telephone Number: (303) 293-5000

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Permittee: CANYON FUEL COMPANY LLC  
(Or Operator if No Permit)

County: \_\_\_\_\_

Mailing Address: 6100 DUTCHMANS LANE, 9TH FLOOR, , LOUISVILLE, KY 40205

Permit Number: C0070005 Mine Name: SKYLINE

- Surface  
 Underground  
 Other

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Section of State Law, Regulation or Permit R645-301-830.200  
Condition believed to have been violated:

02 NATURE OF VIOLATION AND LOCATION:

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Section of State Law, Regulation or Permit R645-301-830.300  
Condition believed to have been violated:

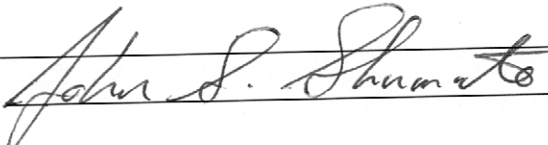
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Signature of Authorized Rep.: 

Print Name and ID: John Shumate ID# 545

UNITED STATES DEPARTMENT OF THE INTERIOR  
Office of Surface Mining  
Reclamation and Enforcement

**TEN-DAY NOTICE**

Number X16-140-545-003

TV 2

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Permittee: CANYON FUEL COMPANY LLC

County: \_\_\_\_\_

(Or Operator if No Permit)

Mailing Address: 6100 DUTCHMANS LANE, 9TH FLOOR, , LOUISVILLE, KY 40205

Permit Number: C0410002

Mine Name: SUFCO

Surface

Underground

Other

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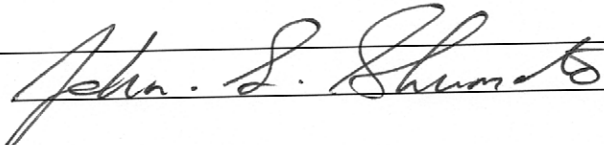
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