



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)

April 7, 1999

Dave Shaver
Andalex Resources, Inc.
6750 Airport Road
P. O. Box 902
Price, Utah 84501

RE: Postmining Land Use Change and Partial Bond Release Proposal, NEICO, Wellington Preparation Plant, ACT/007/012, Folder #2, Carbon County, Utah

Dear Mr. ^{Dail}Shaver:

The purpose of this letter is to inform you of the progress which the Division is making regarding review and approval of NEICO's application to 1) change the post mining land use for a portion of the Wellington Preparation Plant to an industrial post mine land use and 2) release the reclamation bond for that area.

The remaining technical issues in the division review deal with the manner that coal materials presently on site will be handled under the industrial post mining land use. Your recent assurances (by fax 4-5-99) to Ms. Grubaugh-Littig cover this topic and I quote from your letter:

"a. To the extent economically feasible we (Andalex) will utilize as much of the coal material as possible as pad material for the stock pile areas of the new (coal) loadout. We will pay AML fees on the recycled pad coal if DOGM determines this to be a regulatory requirement.

b. Much of the coal material will be used to construct the impoundment structure of the main sediment pond. We estimate that up to 7000 cubic yards of this material would be utilized for this purpose.

c. Any remaining coal material would be contained harmlessly within the hydrologic confines of the newly constructed sediment pond. This pond would be a permanent structure and would serve as the primary means of sediment control for the life of the new loadout facility. Coal material remaining within the interior of the pond would be graded to a smooth, even surface.

d. We also commit to dedicating a 6.3 acre area of topsoil material within the site (area J on map G9-3511) for the purpose of final reclamation of the refuse pile. This

Postmining Land Use Change

ACT/007/012

April 7, 1999

Page 2

commitment is made under the agreement with DOGM that this area would be released from the (Wellington Preparation Plant) permit when 13,019 cubic yards of topsoil has been salvaged from this area and relocated to the main topsoil storage pile area located south of the refuse pile.”

Based then on Division review of the proposal and the above assurances from you, the Division is able to make findings for the alternative postmining land use change under R645-301-412 and 413 that “there is reasonable likelihood for achievement of the use”. However, before we proceed with approving the postmining land use change and any change to the bond amount on the Wellington Preparation Plant permit, the Division will need an affidavit from Andalex. The affidavit must state that the terms and conditions enumerated in the September 25, 1998, Memorandum of Agreement between EarthCo, NEICO, and Andalex Resources are still in effect, and that Andalex intends to exercise the purchase option with the intent of constructing a coal loadout on the referenced property. If the Division can be “assured” that this alternative postmining land use will occur immediately upon bond release, then the post mining land use can be finally achieved and release of the bond can be made.

I hope that this letter serves to assure you that there is excellent progress toward approval of the proposal and that it also serves to inform you of the affidavit requirement. If you have any questions, please call me at 801-538-5370.

Sincerely,



Lowell P. Braxton
Director

cc:

Patrick Collins, Mt. Nebo
Mary Ann Wright
Pamela Grubaugh-Littig

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Facsimile
(801) 237-1950

July 12, 1999

Denise Dragoo, Resident Agent
Horizon Mining, LLC
c/o Snell & Wilmer
111 East Broadway, Suite 900
Salt Lake City, Utah 84111

Re: July 12, 1999 Request for Extension to Comply with Division Order 99C (Order to Post Bond), Horizon Mining, LLC, Horizon Mine, ACT/007/020, File #3, Carbon County, Utah

Dear Ms. Dragoo:

We have received your request of July 12, 1999, wherein Horizon Mining, LLC requests an extension to the deadline for Division Order 99C in order to complete the sale and permit transfer to Lodestar Energy, Inc. Under DO 99C, Horizon is required to post a bond of \$711,000 for the Horizon Mine. The extension is hereby granted and the new deadline is close of business, or 5:00 p.m., Thursday, July 15, 1999.

Sincerely,


Lowell P. Braxton
Director

tam

cc: Michael Malmquist, Parsons
PFO

P:\GROUPS\COAL\WP\007020.HZN\FINAL\EXTENSIO.99C



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July 22, 1999

Chuck Semborski, Environmental Supervisor
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Re: Approval of Phase I Bond Release at the Cottonwood Waste Rock Site, PacifiCorp,
Cottonwood/Wilberg Mine, ACT/015/019-BR98, Folder #2, Emery County, Utah

Chuck

Dear Mr. Semborski:

Phase I bond release for the Cottonwood/Wilberg Waste Rock site (13.81 acres) is approved. This permitting action represents Phase I bond release, but no monies are released.

I have attached the OSM concurrence for this bond release. If you have any questions, please call me or Pamela Grubaugh-Littig.

Sincerely,

Lowell P. Braxton
Director

tm

Attachment

cc: Jim Fulton, OSM, WRCC

O:\015019.CWW\BOND\APPLTRPH.WPD



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement

1999 Broadway, Suite 3320

Denver, Colorado 80202-5733

July 21, 1999

Mr. Lowell P. Braxton,
Division Director
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Decision Document to Approve Phase I Bond Release at the Cottonwood/Wilberg Mine, Waste Rock Site

Dear Mr. Braxton:

This letter acknowledges the Office of Surface Mining's (OSM) receipt and review of the subject decision document prepared by the Utah Division of Oil, Gas and Mining (DOGGM). The proposed bond release area at the waste rock site contains Federal lands. OSM is in agreement with the decision document and hereby provides OSM concurrence to release Phase I bond on 14 acres of the Cottonwood/Wilberg waste rock site in accordance with the Federal regulations at 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, section B, of the Federal-State Federal lands cooperative agreement.

The decision document thoroughly describes the reclamation history of the waste rock site identifying significant inspection observations which occurred throughout reclamation of the site including backfilling, grading, and revegetation. Beginning in October, 1998, the decision document clearly describes the bond release process milestones DOGM implemented in accordance with Utah Rule R645-301-880 through 880.330. Engineering and hydrological analysis, topsoil replacement analysis, and inspection findings demonstrate compliance with the approved reclamation plan for the site.

DOGGM conducted the required bond release inspection on May 13, 1999, and OSM's Denver Field Division (DFD) participated in the inspection. There were no problems noted during the inspection. The United States Department of the Interior, Bureau of Land Management, (BLM) was notified of the bond release inspection and elected not to attend. No public comments were received by DOGM through the advertized comment period. BLM provided DOGM written concurrence dated June 22, 1999, agreeing with the proposed Phase I bond release.



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

Cottonwood/Wilberg Waste Rock Site, pg.2

The permittee, PacifiCorp, has met the requirements for Phase I bond release found at Utah Rule R645-301-800, and DOGM has processed the bond release application in accordance with the applicable Utah rules. OSM understands approximately 13.81 acres (14 acres) are eligible for Phase I bond release at the waste rock site. The surface rock storage area at the site is not included in the release area. OSM understands no release of bond monies has been requested or approved.

Thank you and your staff for coordinating this Federal lands bond release with the DFD. Please address any questions concerning this letter to Henry Austin, Reclamation Specialist, at haustin@osmre.gov or (303) 844-1400 x1466.

Sincerely,

James F. Fulton, Chief
Denver Field Division

cc: Dennis Oakley, PacifiCorp
USDI/BLM/Utah



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CHRON

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August 13, 1999

TO: Whomever it May Concern

FROM: Lowell P. Braxton, Director, Division of Oil Gas and Mining *Lowell P. Braxton*

RE: Clemment "Mickey" Bradley of Bradley Safety Consultants,
Wilburton, Oklahoma

This letter is to outline Utah's experience in using the services of Mr. Clemment Bradley as the instructor of the Utah Coal Regulatory Program - Surface Blaster Certification and Training Program. Mr. Bradley has been the contractor providing surface blaster training, examination, and certification to the Utah coal mine and minerals community since 1991. Above all else, Mr. Bradley provides an inherent margin of blaster safety in his deeds, teachings, and technical advice.

During the last 8 years when Mr. Bradley was a blaster training contractor for the State of Utah, he provided exemplary service as an instructor, technical advisor, and consultant. From our staff, course participants, and mineral/coal producing companies, we have received only praise and compliments on his style, teaching abilities and technical accuracy in the blasting field. In addition, in November of 1996 we called on the services of Mr. Bradley as a consultant in the Division's Abandoned Mine Reclamation Program when a magazine filled with unstable high explosives was found at an abandoned mine reclamation project. Under his guidance we were able to avert a serious explosives accident by placing him on the incident management team as a Division representative dealing with the problem.

Please let me or Mr. Ron Daniels (at 801-538-5316) know if there are any additional questions or if you need additional information.

dr

O: Ron\blaster.ltr.wpd

 * P. 01 *
 * TRANSACTION REPORT *
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Michael O. Leavitt
 Governor
 Lowell P. Braxton
 Division Director

**UTAH DIVISION OF OIL, GAS AND MINING
 FACSIMILE COVER SHEET**

DATE: August 13, 1999

FAX#: 918-465-3405

ATTN: _____

COMPANY: Bradley Safety Consultants

DEPARTMENT: _____

NUMBER OF PAGES:(INCLUDING THIS ONE) 2

From: Lowell P. Braxton, Director, Division of Oil, Gas and Mining



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**UTAH DIVISION OF OIL, GAS AND MINING
 FACSIMILE COVER SHEET**

DATE: August 13, 1999

FAX#: 918-465-3405

ATTN: _____

COMPANY: Bradley Safety Consultants

DEPARTMENT: _____

NUMBER OF PAGES:(INCLUDING THIS ONE) 2

From: Lowell P. Braxton, Director, Division of Oil, Gas and Mining

If you do not receive all of the pages, or if they are illegible, please call (801)538-5340.
 We are sending from a sharp facsimile machine. Our telecopier number is (801)359-3940.

MESSAGES:

You will also be receiving a copy by mail.

Bradley Safety Consultants

RR 3, Box 770

Wilburton, OK 74578

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have recieved this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.



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September 30, 1999

TO: Lowell P. Braxton, Director *L.P.B.*
 THRU: Mary Ann Wright, Associate Director, Mining *M.A.W.*
 FROM: Pamela Grubaugh-Littig, Permit Supervisor *P.G.L.*
 RE: Active Coal Bond Status Report as of September 30, 1999

Attached is a copy of the current active coal bond status report. Presently, the coal program has a total of \$77,781,022 in various forms of reclamation bonds.

Corporate Sureties	(27)	\$73,933,840	> 96%
Irrevocable Letters of Credit	(4)	<u>\$ 3,393,000</u>	> 4%
		\$ 77,326,840	

NOTE: Aetna Insurance Company merged with Travelers Insurance Company on July 1, 1997. The Division received \$1,850,154 in 1997 for reclamation at the Sunnyside Mine from the U.S. Bankruptcy Court.

Three bonds were fully released during the second quarter of 1998: Knight Mine (April 21, 1998), Gordon Creek #3 & #6 Mine, and Huntington #4 Mine (both on May 22, 1998).

tm
 Attachment

cc: Daron Haddock
 Price Field Office
 Public Information Center

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