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 R. Daniels
 J. Smith
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VALLEY CAMP OF UTAH, INC.

Scofield Route
 Helper, Utah 84526

W. L. WRIGHT, PRESIDENT
 & CHIEF OPERATING OFFICER

August 30, 1984

Dr. Dianne Nielson, Director
 Division of Oil, Gas and Mining
 Department of Natural Resources
 4241 State Office Building
 Salt Lake City, Utah 84144

Mr. Allen D. Klein
 Administrator
 Western Technical Center
 Office of Surface Mining
 Reclamation and Enforcement
 Brooks Tower
 1020 15th Street
 Denver, Colorado 80202

Re: Permit No. UT-0013, 7/84

Dear Dr. Nielson and Mr. Klein:

By letter of July 10, 1984 the Office of Surface Mining ("OSM") transmitted to Valley Camp of Utah, Inc. ("Valley Camp") its revised permit identified as Permit No. UT-0013, 7/84. Condition No. 8 of that permit provides as follows:

Within thirty (30) days of the effective date of this permit, the permittee shall implement the mitigation measures identified in the USFWS letter dated April 19, 1984, and submit proof of such compliance to the regulatory authority.

The letter from the Fish and Wildlife Service of the United States Department of the Interior describes several mitigation measures in connection with the Colorado Squawfish that appear to be the subject of Condition No. 8. However, it is our understanding from a complete reading of the letter of April 19, 1984 that the mitigation measures required of Valley Camp at the present time would be to participate in negotiations with the Fish and Wildlife Service, the Office of Surface Mining and the Utah State Division of Oil, Gas and Mining

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 GAS & MINING

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("DOGM") concerning contributions to a fund that will be established at some time in the future which would reflect Valley Camp's proportionate share of the cost of certain conservation measures that are more fully set out in the letter of April 19, 1984.

By this letter, Valley Camp specifically agrees that it is willing to participate in such negotiations.

It is our reading of the letter that the OSM (and presumably the DOGM) must also confirm in writing that they are similarly willing to participate in such negotiations. It is also our understanding that the objective to be achieved in those negotiations will be an agreement by the Fish and Wildlife Service concerning the exact nature of the requirement imposed upon Valley Camp with respect to its participating in a conservation fund. According to the letter, such a contribution will not exceed the amount of \$730, but the exact amount will be determined through the negotiation process. It is also our understanding that the OSM and the DOGM must concur in the ultimate conservation measures to be completed by Valley Camp.

Our inquiries have not revealed the present status of the "conservation fund," therefore, we assume that the negotiations will also provide the necessary information to Valley Camp concerning the existence of the fund, the time at which the contribution is to be made to the fund and the entity to whom the contribution is to be paid in order to insure the mitigation measures will be directed towards the "indirect effects" identified in the letter of April 19, 1984.

If any further action is required on behalf of Valley Camp at this time in order to satisfy the requirements of Condition No. 8 of the above-captioned permit would you please let us know as soon as possible so that those mitigation measures may be implemented and so that the necessary proof of compliance may be submitted to the regulatory authority.

Very truly yours,


W. L. Wright
President and Chief
Operating Officer