

Internal

**From:** Mary Ann Wright  
**To:** Daron Haddock; Pam Grubaugh-Littig  
**Date:** 3/19/03 10:27AM  
**Subject:** Fwd: Re: ktk mining

c/007/001

Please have this sent to file. Thanks! White Oak.

>>> Lowell Braxton 03/19/03 09:45AM >>>

Dear Sir:

Your e-mail Governor Leavitt was forwarded to me for response. The State of Utah, and specifically the Utah Division of Oil, Gas and Mining is very appreciative of the contribution that coal mining makes to Utah's energy needs, and to the state and local economy. Having noted this, it is also important to recognize that unregulated coal mining has, in the past created some undesirable environmental consequences. For the State of Utah, the Division of Oil, Gas and Mining is the agency charged with ensuring that sound mining and reclamation plans are issued, that the plan identify a responsible party to conduct coal mining and reclamation activities, and that adequate reclamation bonds be posted to ensure sound post mining land use at the conclusion of mining.

While your e-mail does not refer to a specific coal mine, I think I am on solid ground when I say that there is no coal mining and reclamation plan issued by this agency to "ktk mining". If that is the case, "ktk mining" would not be allowed to operate a coal mine in Utah.

I believe your e-mail is directed towards a Cessation Order that the Division of Oil, Gas and Mining issued to Lodestar Energy for conducting unpermitted mining activity at the White Oak Mine south of Scofield. If you are familiar with the Loadstar situation, I am sure you know that Loadstar has been a Chapter 11 bankruptcy situation for over a year. During this time a federal bankruptcy judge ordered that the White Oak Mine be allowed to operate without adequate reclamation bond- something that is contrary to Utah Law. When the judge lifted his stay that prevented Utah from obtaining adequate reclamation bond for the White Oak Mine, we were assured that adequate reclamation bond would be provided, or that timely reclamation of the White Oak Mine would begin. Instead, an operator not listed on the permit began mining and hauling coal, and that activity prompted this agency's issuance of the Cessation Order.

The Cessation Order did spur the various parties to seek a settlement agreement through the Federal Bankruptcy court in Lexington, KY that will satisfy Utah's permitting needs. As a result of this The Division of Oil, Gas and Mining terminated its Cessation Order to Lodestar on 3-18-03. This will allow mining to resume.

The bankruptcy and financial uncertainties of the operator of the White Oak Mine have been difficult for private citizens and government to deal with, and I sympathize with the issues that prompted you to write to Governor Leavitt on this subject. If I can provide additional information on this subject or other coal mining related issues please do not hesitate to contact me.

Sincerely,

Lowell Braxton

Director, Utah Division of Oil, Gas and Mining

>>> "sam" <[sam@cut.net.com](mailto:sam@cut.net.com)> 03/13/03 09:35AM >>>

we are a small mining community that needs your help ktkmining is acompany  
trying to stay alive but tye state of utah is making very diffacult for them  
.they will allow them to hall coal or mine .please help its in sofield ut .

cc: Sheila Morrison