

Blackhawk Coal Company
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DIVISION OF
OIL, GAS & MINING

Orig - mine file
cc - S. Linner
B. Roberts (SEP6)
L.A/B
AEP
FUEL
SUPPLY

Mr. Lowell Braxton
Associate Director
Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite #350
Salt Lake City, Utah 84180

October 30, 1989

RE: MEETING BETWEEN BLACKHAWK AND UDOGM STAFF
OCTOBER 17, 1989

Dear Mr. Braxton:

As you know members of the Blackhawk Coal Company ("Blackhawk") staff met on October 17th with the Utah Division of Oil, Gas and Mining (UDOGM) technical group responsible for our Willow Creek Properties. The people present at the meeting were:

Susan Linner	UDOGM
Dave Darby	UDOGM
Randy Harden	UDOGM
Mike Deweiss	UDOGM
Henry Sauer	UDOGM
Jody Belviso	AEP
Chandler Nowicki	AEP
Conrad Parrish	ACZ

Purpose of the meeting was four-fold. Blackhawk wanted to: (1) get UDOGM's comments on its recent Willow Creek Reclamation Plan Submittal; (2) discuss the need for rapid construction approval for onsite work; (3) discuss the possibilities for bond release; and (4) deliver some minor typographical changes to the submittal.

UDOGM COMMENTS

Following are a brief synopsis of the comments offered by UDOGM's technical staff members on the submittal.

There was concern on the part of the staff that the ongoing AML work at the adjacent site would delay onsite construction. Blackhawk shares this concern but we believe that given the limited nature of our planned activities, interference by the AML contractor will not be a problem.

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work during the remaining brief construction season. We feel that this is an achievable goal given the minor amount of work required within the permit area. In this light, the UDOGM technical staff indicated that they see no problem in completing a Determination of Completeness on our document by week of October 23, 1989. Blackhawk appreciates this rapid response and would like to commend your staff for making this commitment. By rapidly completing the administrative tasks at hand, we can see to the on-the-ground reclamation which will ultimately lead to removing this site from both your books and ours.

BOND RELEASE

Blackhawk has examined the Utah Coal Mining and Reclamation Regulatory Program Regulations regarding bond release. It is our understanding that the customary ten year bond release period is tied to revegetation success criteria. As you know, the Willow Creek Site has no revegetation planned as the permit area is currently purposed as a light industrial post mining land use. To revegetate this area would be inconsistent with the industrial post mining land use. Vegetation would be viewed as weeds and would interfere with storage and access to reclamation equipment and supplies. Indeed, revegetation of the site could conceivably lead to the use of herbicides on site to remove the vegetation. Therefore, given our reading of the regulations on bond release, we believe that there is a means by which bond can be released for this site immediately once the post mining land use is met. We will be working with you and the technical staff closely in the next few weeks to discuss this topic.

DELIVER TYPOGRAPHICAL CHANGES

Certain pages from Blackhawk's most recent submittal contained typographical and/or page numbering errors. These items were corrected and two (2) copies delivered to your office for insertion into the document.

SUMMARY

I am quite pleased with the progress made and the cooperative attitude your staff has adopted towards the rapid reclamation of this site. As I mentioned earlier, Blackhawk is very concerned with reclaiming this site, obtaining bond release and removing responsibilities from both your charge as well as ours. As you know, Blackhawk currently has no personnel assigned in Utah and administering this site has become extremely cumbersome and time consuming for us.

*Comments?
Barbara?
M advise
LBS 11-6*

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If you have any questions regarding the information set forth herein or have any additional comments, please respond to Jody Belviso within two (2) weeks in writing. Blackhawk is currently proceeding based on our understanding as outlined in this letter.

Very truly yours,

APPROVED
LEGAL-FSD

QCR



J. E. Katlic
President and Chief Operating Officer

JEK/jr

c: Dianne Neilson
Susan Linner
Jody Belviso
Chandler Nowicki
Conrad Parrish