

NONFEDERAL
(April 1987)

Permit Number ACT/007/002, May 25, 1990

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

*Permit
Bridal*

This permit, ACT/007/002, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Blackhawk Coal Company
P. O. Box 700
Lancaster, Ohio 43130
(614) 687-1440

for the Willow Creek Site. Blackhawk Coal Company is the lessee of certain fee-owned parcels. A surety bond with a value of \$2,585,609.00 has been filed with DOGM. DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct underground coal mining reclamation activities on the following described lands (as shown on the map appended as Attachment B) within the permit area at the Blackhawk Site situated in the state of Utah, Carbon County, and located:

Township 12 South, Range 10 East, SLBM

Section 31: Portions of SW 1/4 SW 1/4

Township 13 South, Range 9 East, SLBM

Section 1: Portions of E 1/2 NE 1/4

Township 13 South, Range 10 East, SLBM

Section 6: Portions of NW 1/4 NW 1/4

This legal description is for the permit area (as shown on Attachment B) of the Blackhawk site. The permittee is authorized to conduct underground coal mining activities connected with reclamation on the foregoing described property subject to the conditions of the leases, and all other applicable conditions, laws and regulations.

(Attachment A)

STIPULATIONS

Blackhawk Coal Company
Willow Creek Site
ACT/007/002
Carbon County, Utah

May 25, 1990

Stipulation UMC 800-(1) - JRH

1. Within thirty(30) days from permit approval, the operator shall submit to the Division, a complete copy of the Reclamation Agreement as required by the Division, with bond in the amount of \$10,000.00.

Stipulation UMC 817.111-.117-(1) - LK

1. Within 30 days of permit approval, Blackhawk will revise appropriate sections of the MRP to correctly identify the permit term, the 10-year liability period, and the applicable success standard.

Stipulation UMC 817.133-(1) - LK

1. Within 30 days of permit approval, Blackhawk will revise the land use section of the MRP to include a commitment to notify the Division of any amendments, renewals, or cancellation of the lease(s) upon which the alternative land use based prior to the effective date of any such amendment, renewal or cancellation.

Stipulation UMC 817.133-(2) - LK:

1. Within 30 days of permit approval, Blackhawk will revise the land use section of the MRP to include a commitment that should Blackhawk fail to implement the alternative postmining land use within 2 years (as per UMC 817.116(b)(3)(ii)), or that the alternative land use does not continue through the 10-year liability period, Blackhawk will reclaim all disturbed areas to the premining use of wildlife habitat and grazing.

Stipulation UMC 817.133-(3) - LK:

1. Within 30 days of permit approval, Blackhawk will revise all land use references within the MRP to correctly identify the alternative postmining land use of storage facilities and eliminate references to the site as industrial.

STIPULATIONS (CONTINUED)

Stipulation UMC 817.24-(1) - (HS)

1. Within 30 days of permit approval, the operator must commit to (for inclusion in the PAP) deep ripping the areas covered by "coally material" prior to topsoil cover material redistribution.

Stipulation UMC 817.48-(1, 2) - (HS)

1. Prior to the redistribution of topsoil cover material upon "coally material", the operator must conduct adequate analyses (i.e., Division Guidelines for Management of Topsoil and Overburden, Table 6) to determine the acid- and/or toxic-forming potential for the "coally material". If analyses indicate an acid- and/or toxic-forming potential for the material in question, then the operator must adequately dispose of said material.
2. Laboratory analyses of the sediment pond embankment material (topsoil cover material for "coally material") indicates elevated Selenium concentration (>.10 ppm) when compared to the Division Guidelines for Management of Topsoil and Overburden, Table 2. Consequently, the operator must commit to reanalyzing (i.e., hot-water soluble selenium) topsoil cover material upon redistribution. In the event that Selenium concentrations remain elevated, the operator must comply with applicable regulations for the protection of surface and ground water.

- Sec. 3 PERMIT TERM - This permit expires on December 24, 1994.
- Sec. 4 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R614-303.
- Sec. 5 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, R614-400-110, 30 CFR 842.13 and R614-400-220; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with R614-400-210 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining reclamation activities only on those lands specifically designated as within the permit area on the maps submitted in the permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

- Sec. 8 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program which prevents violation of any applicable state or federal law.
- Sec. 9 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:
- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act and the approved Utah State Program.
- Sec. 10 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 11 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 12 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act and the approved Utah State Program.
- Sec. 13 CULTURAL RESOURCES - If during the course of reclamation operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.
- Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under R614-300.

Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases and this permit, the permittee shall comply with the conditions appended hereto as Attachment A.

The above conditions (Secs. 1-15) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the leases. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: *Danny P. Nielsa*
Date: 5/25/90

I certify that I have read and understand the requirements of this permit and any special conditions attached.

J. E. Katlic
J. E. Katlic
President and Chief Operating Officer
BLACKHAWK COAL COMPANY
Date: 6/13/90

APPROVED
LEGAL-FSD
AC

APPROVED AS TO FORM:

By: Ralph H. Finlayson
Assistant Attorney General

Date: _____