



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

ACT/007/004
Files # 2, 3, 5

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 8, 1988

Mr. Steven R. Youngbauer
Attorney for Castle Gate Coal Company
P.O. Box 3005
Gillette, WY 82716

Dear Mr. Youngbauer:

Re: Mid-Term Review, Castle Gate Coal Company, Price River Complex,
ACT/007/004, Folder #2, #3, #5, Carbon County, Utah

I am writing in response to your letter of March 28, 1988, regarding the Division's policy and procedures for mid-term reviews of coal mine permits. Rather than rephrase the Division's policy for a mid-term review, I have enclosed a copy of this policy.

I would like to emphasize at this time that the mid-term review of Castle Gate Coal Company's Mining and Reclamation Plan is compatible with that being conducted for other Utah coal operations. I am sure you are aware that Castle Gate Coal Company's purchase of Price River Coal Company was the mechanism tying Castle Gate Coal Company to the Price River Coal Company Mining and Reclamation Plan. Prior to acquisition, Castle Gate Coal Company expended considerable effort in retrofitting the inactive Price River Coal Company site (and permit) to the operating site. Much of the regulatory effort and expense attendant to that retrofit was directly related to the inadequate condition of the Price River Coal Company Mining and Reclamation Plan, which was transferred to Castle Gate Coal Company; many organizational and technical inadequacies remain.

The Division would prefer to rectify major or voluminous permitting deficiencies and organizational problems in the mid-term or permit renewal processes, rather than on a piecemeal basis; and we have discussed such an approach with Richard Allison. A radical revision of organizational and technical deficiencies in the Price River permit is the only reasonable alternative to achievement of a consolidated, coherently organized document. These efforts must be more extensive than the name clarification, retyped version submitted to date.

Page 2

Mr. Steven R. Youngbauer

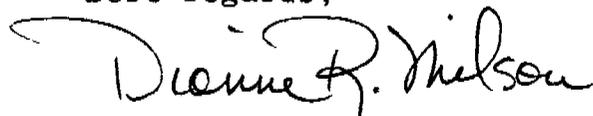
ACT/007/004

April 8, 1988

You should understand that a "retyped, approved permit" must be able to demonstrate both regulatory completeness and technical adequacy, and that the Division's review of a large document is facilitated by splitting it into these two subdivisions regardless of the type of permitting action being undertaken (new permit, permit changes, or five-year renewal).

I hope you can also appreciate the need to have a Mining and Reclamation Plan that is not only complete and technically adequate, but also one which matches field conditions. The comments of my staff indicate that there are many problems attendant to the retyped version of your permit that render it unapprovable in that form. Examples of these from the Division's February 19, 1988 correspondence include failure to include permit conditions from the original Price River permit in the "retype", failure to uniquely number pages, failure to include detail necessary to demonstrate reclamation feasibility. The inadequacies enumerated in the February 19, 1988 Division correspondence are, within the domain of UMC 788.11(2)(b), reasonable revision of the permit. My staff is striving for a workable relationship with the mining community, but our regulations do not condone incomplete, technically deficient permits that do not match field conditions. Any efforts that you could undertake to assure the reformatted Castle Gate Coal Company permit achieves these conditions would be considered constructive.

Best regards,



Dianne Nielson
Director

jr

Enclosure

cc: R. Allison

K. May

L.P. Braxton

S. Linner

1357R/25:26