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AMAX COAL COMPANY

A Subsidiary of AMAX Coal Industries, Inc

Act 1007/004
12/10/92
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DIVISION OF



December 10, 1992

BELLE Ayr MINE

cc D. Staddock
L. Braxton

Ms. Dianne Nielson, Director
Utah Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Dear Dianne:

The purpose of this letter is to inform the Division of the status of the reclamation in the No. 4 Mine Canyon. Hopefully, good communication will eliminate any confusion about what AMAX is doing and what the Division expects.

The reclamation is being performed according to the approved plan. The contractor has removed most of the structures in the canyon which includes power poles, culverts, transformers, belt structure and fencing. The culvert removal has eliminated the diversion around the disturbed area. Therefore, the drainage from the #4 Mine Canyon flows into Pond 007. This situation is allowed in the approved plan until the grading work is complete and the alternative sediment controls are in place.

The grading phase of the reclamation was scheduled to last approximately 4 weeks but the recent winter snowstorms have halted construction for perhaps the rest of the winter. Unfortunately, because of the weather conditions, the time period for the drainage to flow into Pond 007 will be extended until the reclamation project can begin again in the spring.

The only option to this situation is to cut the lower end of reclamation channel HCRD-1 into the operational channel HCD-7 as described in Section 3.3-4(2) of the MRP with the addition of some alternative sediment control measures. In my opinion, this is not the prudent thing to do.

The undisturbed area diversion ditches, which no longer function because of culvert removal, never carried an appreciable amount of water. Additionally, Pond 007 has never discharged or has had more than two feet of water in it. Therefore, in my opinion, the best course of action to protect the water resource is to continue to convey the water into Pond 007.

If you assume in reading this letter that I am concerned about an overzealous staff member having a problem with the drainage and wanting to take some sort of enforcement action, you are correct. AMAX is performing the reclamation according to the approved plan, but the time frame to complete reclamation will be longer due to the weather.

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I will be in Utah next week for the monthly inspection of the mine. I have a scheduled meeting with Daron and the staff on December 17 to discuss the removal of the stipulation on the approval letter for the Sowbelly Canyon Reclamation Plan. If necessary, the reclamation at the No. 4 Mine Canyon can also be put on the agenda. I want to continue the communication and positive relationship between AMAX and the Division that has developed over this year.

Sincerely,



Richard H. Allison, Jr. P.E.
Project Supervisor

RHA:vsn

cc: Phil Dinsmoor
Steve Laird
Pete Ferguson
George Womack
Pat Winmill - Parsons Behle & Latimer