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007/004 #2

AMAX COAL COMPANY

A Subsidiary of AMAX Coal Industries, Inc.

WESTERN OPERATIONS



WYOMING MINING OPERATIONS

Thomas J. Lien

President

20 August 1992

Mr. Paul Baker
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RECEIVED

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**DIVISION OF
OIL GAS & MINING**

Please consider, Mr. Baker:

Accompanying this letter of submittal are Chapter III, Land Use, and Chapter IX, Vegetation, of the permit application for the Castle Gate Coal Company property near Price, Utah. I have re-written and rearranged the format of these two chapters to conform with the format of the regulations. I based the re-write on the format of your 13 March 1992 comment letter, which I found clear and easy to follow. I hope you will be able to say the same of this submittal.

As I discussed with you on the telephone, Paul, I believe we may have some discussion ahead of us on the topic of "previously mined areas". Let me summarize for you our interpretation of both the Federal SMCRA regulations and the Utah State regulations on this topic.

In accordance with both the State and Federal definitions of "previously mined area", the standards to which an area disturbed by mining or mining related activities are held are those in place at the time of disturbance. In the absence of standards at the time of disturbance, SMCRA and UDOGM have set certain minimum standards for such previously mined areas. In effect, there is a 3 May 1978 line behind which you are subject only to the reclamation standards in force at that date, or, if there were none, certain minimum after the fact standards (for example, control of erosion as the minimum acceptable vegetation standard for previously mined areas).

Therefore, for Castlegate, there should be two revegetation plans: one for pre-1978 disturbance and one for post-1978 disturbance. In accordance with this argument, no reference areas are needed for the pre-78 areas, only for the post-78 areas.

This interpretation is buttressed by commentary in the preamble on page 17527 of FR 52 No. 89, which states, "only the areas disturbed for surface operations and facilities of an underground mine could qualify as previously mined areas". On page 17528 of the same issue, "All lands that were mined prior to May 3 1978 (except where covered under section 502(b)), and that were mined after May 3, 1978, but were not subject to the Act, qualify under this rule as previously mined areas.

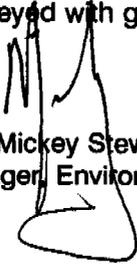
I understand from Rich Allison that the concept of "previously mined area" controls much of the highwall grading and other earthwork for Castle Gate. Thus, I must reason that UDOGM will look at revegetation practices in the same light.

I hope this brief summary provides you with the information and references you need to assess this submittal. I think we both agree that the issue of previously mined areas is very important. You have been very courteous and helpful, and I am grateful for your assistance and comments.

We are tentatively planning on a trip to Castle Gate the week of 21 September. If that time frame is convenient to you, perhaps we could schedule a meeting to discuss this draft submittal. Please let me know.

Conveyed with greetings from

D.G. Mickey Steward
Manager, Environmental Affairs

A handwritten signature in black ink, appearing to read "D.G. Mickey Steward". The signature is written in a cursive style with a large, sweeping loop at the bottom.