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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

December 23, 1994

Mr. Lonnie Mills
AMAX Coal Company
P. O. Drawer PMC
Price, Utah 84501

Re: Permit Renewal, AMAX Coal Company, Castle Gate Mine, ACT/007/004, Folder #3, Carbon County, Utah

Dear Mr. Mills:

The Division has processed your application for permit renewal for the Castle Gate Mine. Your permit is being renewed for an additional five year period. Enclosed is the renewed mining permit which will expire on December 24, 1999.

Note that two copies of the permit are included. Please read the permit to be sure you understand the requirements and the conditions, then sign both copies, keep one for your records, and return one to the Division.

Your cooperation during the permitting process is appreciated. Please call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor

cc: P. Grubaugh-Littig
J. Helfrich
OSM, Denver
OSM, Albuquerque

renewal.cas



FEDERAL

PERMIT
ACT/007/004

December 24, 1994

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

This permit, ACT/007/004, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

Amax Coal Company
P. O. Drawer PMC
Price, Utah 84501
(801) 637-2875

for the Castle Gate Mine. Amax Coal Company is the lessee of Federal Coal Leases U-25484, U-25485, U-058184, U-019524, SL-029093-046653, and SL-07137; State Leases ML-11940, ML-18148, and ML-13681; and of fee-owned parcels. A Surety Bond is filed with the Division in the amount of \$4,415,505.00, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). The Division 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 activities on the following described lands within the permit area at the Castle Gate Mine situated in the state of Utah, Carbon County, and located in:

Township 12 South, Range 9 East, SLB & M

Section 22: Portions of SE1/4 SW1/4 and SW1/4 SE1/4
Section 26: All but E1/2 E1/2
Section 27: All
Section 28: All
Section 29: All but N1/2 NW1/4 and NW1/4 NE1/4
Section 30: All but N1/2 N1/2
Sec. 31, 32,
Sec. 33, 34: All
Section 35: Portions of N1/2, W1/2 SW1/4, and SE1/4 SE1/4
Section 36: S1/2 NW1/4 and portions of SW1/4 and NE1/4

Township 13 South, Range 9 East, SLB & M

- Section 1:** Portion of NW1/4 NW1/4
- Section 2:** Portions of NE1/4 and NW1/4
- Section 3:** NW1/4 and portions of NE1/4, SE1/4 and SW1/4
- Section 4:** N1/2 and portions of SE1/4 and SW1/4
- Section 5:** NE1/4 and portions of NW1/4, SE1/4 and SW1/4
- Section 6:** N1/2 and portions of SW1/4 and SE1/4
- Section 8:** Portion of NE1/4
- Section 9:** Portions of NE1/4, NW1/4 and SW1/4
- Section 10:** Portions of NE1/4 and NW1/4

This legal description is for the permit area (as shown on Attachment A) of the Castle Gate Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

- Sec. 3** **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4** **PERMIT TERM** - This permit becomes effective on December 24, 1994 and expires on December 24, 1999.
- Sec. 5** **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. 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 R645-303-300.
- Sec. 6** **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), 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, R645-400-220, 30 CFR 842.13 and R645-400-110;
 - (b)** be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and

R645-400-200 when the inspection is in response to an alleged violation reported to the Division by a private person.

- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:
- (a) Any accelerated or additional monitoring necessary to determine the nature 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. 9 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 and the Federal Lands Program which prevents violation of any applicable state or federal law.
- Sec. 10 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 the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

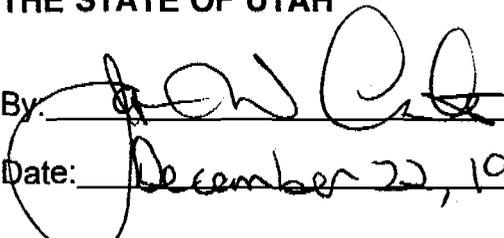
- Sec. 11** **EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12** **RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13** **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. 14** **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. 15** **PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas with the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16** **CULTURAL RESOURCES** - If, during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.
- Sec. 17** **APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.
- Sec. 18** **SPECIAL CONDITIONS** - In addition to the general obligations and/or requirements, there are special conditions associated with this permitting actions, as described in Attachment A.

The above conditions (Secs. 1-18) 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 lease. 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

ACT/007/004
Permit
December 24, 1994
Page 5

amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: 
Date: December 22, 1994

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

PERMITTEE

Authorized Representative of Permittee

Date

PERMIT.CG

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ATTACHMENT A

- 1) The requirements of Division Order ACT/007/004-DO-94A issued on August 18, 1994 are incorporated as a condition of this permit.

PERMIT RENEWAL

Amax Coal Company
Castle Gate Mine
ACT/007/004
Carbon County, Utah

December 24, 1994

Contents

- * Chronology
- * Findings
- * Permit
- * Affidavit of Publication
- * 510 (c) Memo

CHRONOLOGY

FIVE-YEAR RENEWAL

Amax Coal Company
Castle Gate Mine
ACT/007/004
Carbon County, Utah

December 24, 1994

June 21, 1994	Reminder letter sent about five year permit renewal application due to Division August 10, 1994.
August 9, 1994	Five-year permit renewal application submitted.
August 16 1994	Letter from Division to Amax Coal Company states that permit renewal application will be considered completed when the bond is escalated to \$4,415,505 (2000 dollars) and the Reclamation Agreement is completed.
September 20, 1994	Affidavit of publication for permit renewal.
October 3, 1994	Rider to bond received, increased to \$4,415,505.
November 1, 1994	Reclamation Agreement concerns submitted to Division. Decision that Reclamation Agreement must be signed prior to permit renewal.
November 2, 1994	Determination of Administrative Completeness.
November 22, 1994	Revised Reclamation Agreement to Amax Coal Company.
December 8, 1994	Reclamation Agreement sent to Legal Counsel for Amax Coal Copany.
December 19, 1994	Reclamation Agreement signed.
December 20, 1994	AVS system queried for OSMRE, AVS recommendation. The OSMRE recommendation is "Issue".
December 24, 1994	No adverse comments received. Permit renewed.

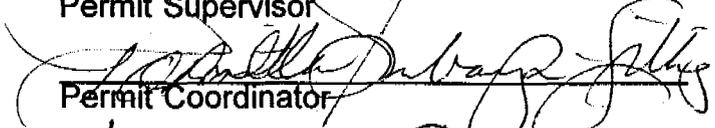
FINDINGS

FIVE-YEAR RENEWAL

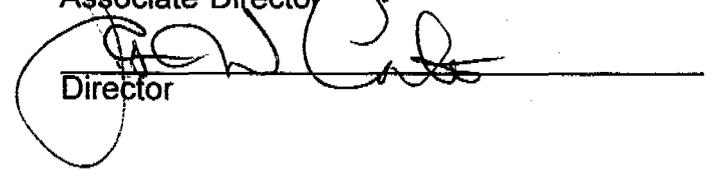
Amax Coal Company
Castle Gate Mine
ACT/007/004
Carbon County, Utah
December 24, 1994

1. Application for a permit renewal was made on August 9, 1994. (R645-303-233.100)
2. The terms and conditions of the existing permit are being satisfactorily met. The requirements of Division Order DO-94B issued on August 18, 1994 are incorporated as a condition of the permit issued December 24, 1994. (R645-303-233.110)
3. The present operation and reclamation operations are in compliance with the environmental protection standards of the State Program. (R645-303.233.120)
4. The requested renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on the existing permit area. (R645-303-233.130)
5. The permittee has provided evidence of having liability insurance. (National Union Fire Insurance Company of Pittsburg, PA. GL3197125) (R645-303-233.140)
6. The permittee has provided evidence that a performance bond is in effect for the operation and will continue in full force and effect for the proposed period of renewal. (Surety Bond issued by Natonal Fire Insurance Company of Hartford #929-80-55, in the amount of \$4,415,505) (R645-303-233.150)
7. For the most recent permit term, permit changes ordered by the Division and Notices of Violation requiring a permit change have been incorporated into the permit. (See attached list of outstanding Dvision Orders and Violations)


Permit Supervisor


Permit Coordinator


Associate Director


Director

Outstanding Violations and Division Orders

Division Order ACT/007/004-94A issued August 18, 1994 is still current and the requirements of this Division Order have been incorporated as a condition of the permit. See permit with condition issued December 24, 1994.

All outstanding violations terminated to date.

FINDINGS.cg

AFFIDAVIT OF PUBLICATION

ACT/007/004 #3
Copy Pam

STATE OF UTAH)

ss.

County of Carbon,)

I, Kevin Ashby, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 30th day of August, 1994 and that the last publication of such notice was in the issue of such newspaper dated the 20th day of September, 1994.

Kevin Ashby - Publisher

Subscribed and sworn to before me this 20th day of September, 1994

Notary Public My commission expires January 10, 1995 Residing at Price, Utah

Publication fee, \$332.80

NOTICE OF APPLICATION FOR RENEWAL OF A PERMIT

Notice is hereby given that Amax Coal Company, One Riverfront, 20 N.W. 1st Street, Evansville, Indiana 47708, has submitted an application to the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (the Division) for renewal of Permit No. ACT/007/004 to operate the Castle Gate Coal Mine under the provisions of the Utah Coal Mining and Reclamation Act (Utah Code Ann. 40-10-1 et seq.) and the Utah R645 Coal Mining Rules. In addition, a Significant Permit Revision has been filed with the Division which includes a request for a variance from approximate original contour in conjunction with reclamation of the pre-SMCRA highwalls in Hardscrabble Canyon. The request for variance is in conformance with R645-301-553.600.

The Castle Gate Coal Mine is owned by Amax Coal Company, a subsidiary of Cyprus Amax Coal Company, a subsidiary of Amax Energy Inc. which is wholly owned by Cyprus Amax Mineral Company, a Delaware corporation. Several areas within Carbon County comprise the Castle Gate Coal Mine including parcels in Price River Canyon along routes U.S. 6 and 50, Crandall Canyon, Sowbelly Canyon (Gulch), and Hardscrabble Canyon.

A legal description of the lands involved in the Castle Gate Coal Mine permit is as follows:

Township 12 South, Range 9 East, SLBM

Portions SE $\frac{1}{4}$, SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22; Section 26 all except for E $\frac{1}{2}$ E $\frac{1}{2}$; Section 27; Section 28; Section 29 all except N $\frac{1}{2}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$; Section 30 all except N $\frac{1}{2}$ N $\frac{1}{2}$; Section 31; Section 32; Section 33; Section 34; portions of N $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ of Section 35; S $\frac{1}{2}$ NW $\frac{1}{4}$ and portions of SW $\frac{1}{4}$ and NE $\frac{1}{4}$ of Section 36.

Township 13 South, Range 9 East, SLBM

Portion of NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 1; portions of NE $\frac{1}{4}$ and NW $\frac{1}{4}$ of Section 2; NW $\frac{1}{4}$ and portions of NE $\frac{1}{4}$, SE $\frac{1}{4}$, and SW $\frac{1}{4}$ of Section 3; N $\frac{1}{2}$ and portions of SE $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 4; NE $\frac{1}{4}$ and portions of NW $\frac{1}{4}$, SE $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 5; N $\frac{1}{2}$ and portions of SW $\frac{1}{4}$ and SE $\frac{1}{4}$ of Section 6; portion of NE $\frac{1}{4}$ of Section 8; portions of NE $\frac{1}{4}$, NW $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 9; portions of NE $\frac{1}{4}$ and NW $\frac{1}{4}$ of Section 10.

The permit area also includes the following property which is the responsibility of other parties:

Township 12 South, Range 9 East, SLBM

Section 36, portion.

Township 12 South, Range 10 East, SLBM

Section 31, portion.

Township 13 South, Range 9 East, SLBM

Section 1, portion.

Township 13 South, Range 10 East, SLBM

Section 6, portion; Section 10, portion, Section 16, portion.

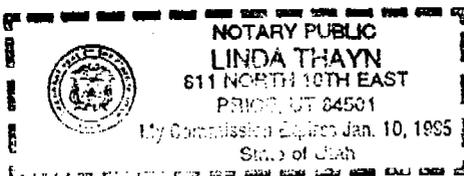
The project area is shown on the following U.S. Geological Survey 7.5-minute maps:

Standardville, Kyune, Matt's Summit, Helper and Deadman Canyon.

Pertinent comments are solicited from anyone affected by this proposal. Such comments should be filed within the next thirty (30) days with:

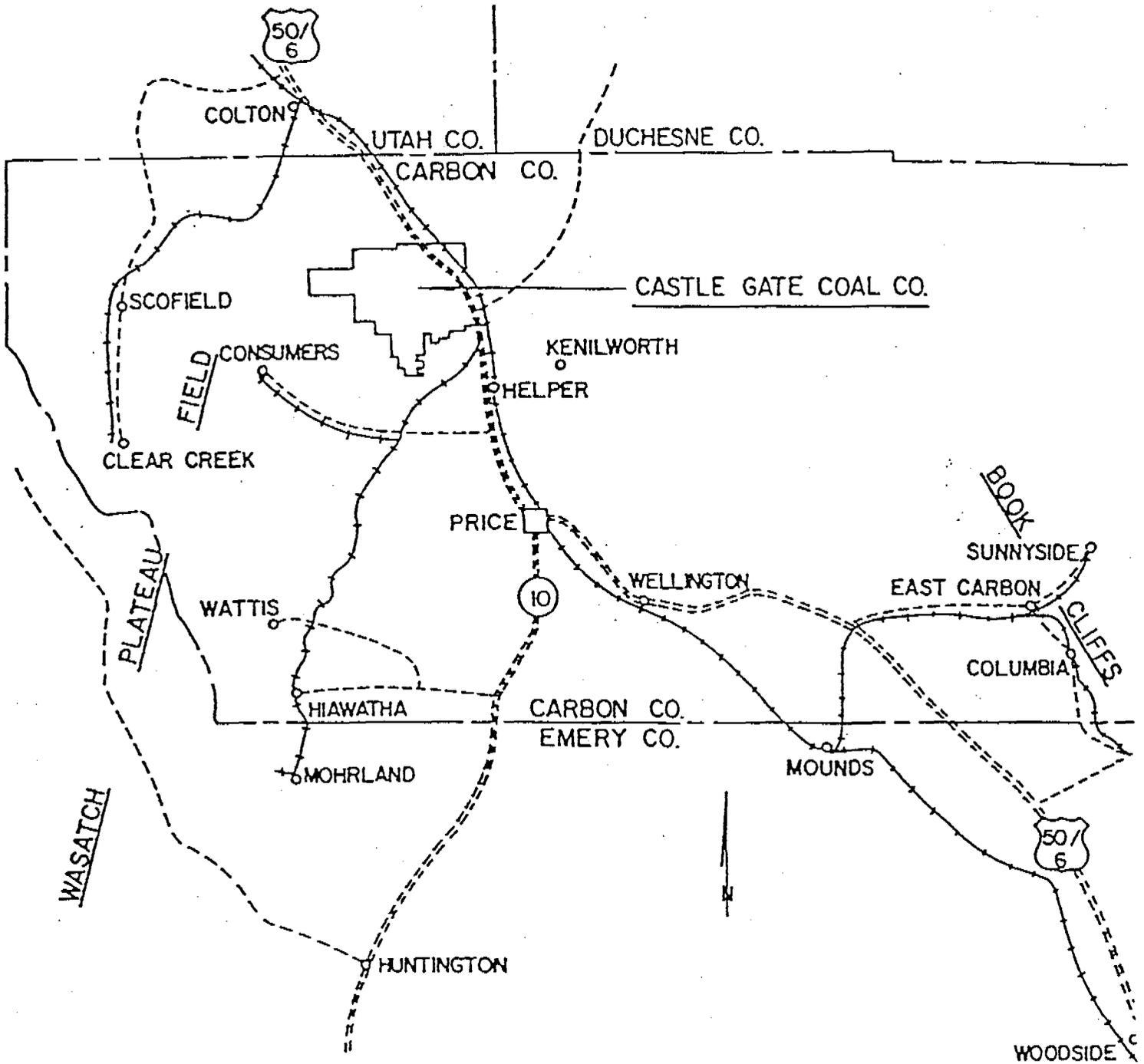
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
III Triad Center, Suite 350
Salt Lake City, Utah 84108

Published in the Sun Advocate August 30, September 6, 13 and 20, 1994.



REGIONAL LOCATION PLAN

ATTACHMENT A



(Not to scale)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
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801-538-5319 (TDD)

December 20, 1994

TO: File

FROM: Pamela Grubaugh-Littig, Permit Coordinator 

RE: Compliance Review for Section 510 (c) Findings, Castle Gate Mine, Amax Coal Company, ACT/007/004, Folders #3 and #5, Carbon county, Utah

As of the writing of this memo, there is an "issue" recommendation from the Applicant Violator System for ACT/007/004, the permit renewal for Castle Gate Mine. There are no violations or cessation orders which are not corrected or in the process of being corrected. There are no finalized civil penalties which are outstanding and overdue in the name of Amax Coal Company.

Amax Coal Company does not have a demonstrated pattern of wilful violations, nor have they been the subject of any bond forfeitures for any operations in the state of Utah.



State : UT Permit No : ACT007004	Appl No : ACT007004
Permittee : 060125(AMAX COAL CO)	Seqno : 1
Applicant : 060125(AMAX COAL CO)	

SYSTEM : D (DENY)	Date : 12/20/94	Mode : VIEW
Reason : 0 AML, 0 AUD, 0 CMIS, 0 FORF, 0 STATE VIOLATION(S)		

OSMRE : I (ISSUE)	Date : 12/20/94	Mode : VIEW
Reason : NRSPs have been corrected		

FO :	Date :	Mode : VIEW
Reason :		

SRA :	Date : 12/20/94	Mode : UPDATE
Reason :		

SAVE (F5) DELETE (F8)
 PRV_SCR (F3) QUIT (F4) CHOICES (F10)

■ avsdg

11 50

State : UT Permit No : ACT007004	Appl No : ACT007004
Permittee : 060125(AMAX COAL CO)	Seqno : 1
Applicant : 060125(AMAX COAL CO)	

SYSTEM : D (DENY)	Date : 12/20/94	Mode : VIEW
Reason : 0 AML, 0 AUD, 0 CMIS, 0 FORF, 0 STATE VIOLATION(S)		

OSMRE : I (ISSUE)	Date : 12/20/94	Mode : VIEW
Reason : NRSPs have been corrected		

FO :	Date :	Mode : VIEW
Reason :		

SRA :	Date : 12/20/94	Mode : UPDATE
Reason :		

SAVE (F5) DELETE (F8)
 PRV_SCR (F3) QUIT (F4) CHOICES (F10)

■ avsdg

11:50