

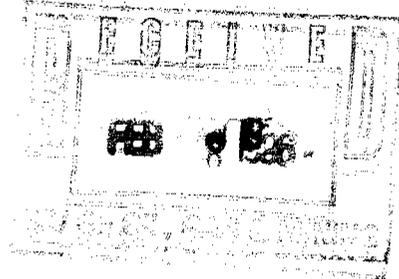


**CYPRUS PLATEAU
MINING CORPORATION**
A Cyprus Amax Company

Cyprus Plateau Mining Corporation
Post Office Drawer PMC
Price, Utah 84501
(801) 637-2875

February 5, 1996

Mr. Paul Baker
Reclamation Biologist
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203



Re: Permit Modification to Castle Gate Coal Mine, ACT/007/004, Carbon County, Utah

Dear Mr. Baker:

AMAX Coal Company is seeking Division approval to amend its surface facilities at the Castle Gate Preparation Plant to include the following:

1. Extension of the conveyor system southward for approximately 310 feet from the existing transfer building;
2. Construction of a new transfer building;
3. Extending the conveyor system south-easterly for approximately 400 feet; and
4. Construction of a new pump house and associated underground water line(s)..

The Surface Facilities Map for the Castle Gate Preparation Plant (Exhibit 3.4-1) has been revised to show the proposed structures. The location of the underground water line(s) is shown on Figures A and B along with the proposed pump house. The location of the new pump house has not been completely decided upon, but will be somewhere adjacent to the utility corridor. All activity will take place within the existing disturbed area and where treatment for runoff is already provided. Additionally, the proposed structures will be constructed on land owned and controlled by AMAX Coal Company, affiliate of Cyprus Western Coal Company.

The underground water lines(s) will be installed within an existing utility corridor, located on the west side of the access road, where our existing water and sewer lines, along with Price City's, Helper City's, and Utah Power's water lines are located. The possibly also exists that a 3 inch potable water line may parallel the 6 inch raw water line; this line is not shown on Figures A or B. Upon completion of the construction and installation of the aforementioned, all applicable Drawings will be revised accordingly and submitted to the Division.

The proposed structures will increase the reclamation bond costs by \$34,266.00, as shown on the enclosed summary sheet. A sketch and typical drawings of the proposed structures, Figures C, D, and E, are being provided to the Division so that they can evaluate AMAX Coal Company's bond

Mr. Paul Baker
February 5, 1996
page 2

calculations. They are not being provided to the Division to comment on the design, but just to assist them in determining bond costs.

Included herewith is an updated rider to our bond for \$6,757,451.00. This bond should be more than adequate to allow for the construction of the proposed structures at the Preparation Plant and prove to the Division that AMAX Coal Company is working in good faith towards providing sufficient bonding for the Castle Gate Mine Facilities.

I hope the Division finds this permit amendment complete, but should additional information be required, please do not hesitate to contact me. AMAX would like to proceed with the installation of the proposed structures as soon as possible.

Sincerely,



Johnny Pappas
Environmental Engineer

Enclosures

cc: J. Borla
J. Trackemas
B. Grimes

Chrono: JP960204.LTR