



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

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November 6, 1996

TO: File

THROUGH: Joseph C. Helfrich, Permit Supervisor *NOV 7 for*

FROM: Paul Baker, Reclamation Biologist *PAB*

Re: Revisions to Chapter 2, Amax Coal Company, Castle Gate Mine, ACT/007/004-96G, Folder #2, Carbon County, Utah

SUMMARY:

On May 10, 1996, the Division received a revised Chapter 2 containing general contents information for the Castle Gate mining and reclamation plan. This amendment was not reviewed at that time, in part because of an impending permit transfer. On July 2, 1996, the permit was transferred from Amax Coal Company to Amax Coal Holding Company, and on August 5, 1996, the Utah Department of Commerce approved a name change from Amax Coal Holding Company to Amax Coal Company. The Division received notification of this action on August 23, 1996, including a bond rider with the name change.

The August 23, 1996, notification requested a minor permit modification, but the documents received were not in a format that they could be included in the mining and reclamation plan. On October 21, 1996, the Division received an updated proposal to revise the identification of interests section of Chapter 2. The October submittal replaces the one received in May with the exception of one map.

Currently, the permit for the Castle Gate Mine is in the name of Amax Coal Holding Company even though this company no longer exists. The Division needs to update the permit.

TECHNICAL ANALYSIS:

ADMINISTRATIVE INFORMATION

IDENTIFICATION OF INTERESTS

Analysis:

The applicant and operator are Amax Coal Company, a subsidiary of Cyprus Amax Coal Company which is a subsidiary of Amax Energy, Inc., which is, in turn, wholly owned by Cyprus Amax Minerals Company. The resident agent is C T Corporation System, and Amax Coal Company will be responsible for paying the abandoned mine reclamation fee.

The Division's permit says the permittee is Amax Coal Holding Company, and this needs to be changed to Amax Coal Company. The name change is not a permit transfer. Rather, Amax Coal Holding Company changed its name to Amax Coal Company.

The names, addresses, and, as appropriate, employer identification numbers and social security numbers of companies that own or control the applicant are contained in Appendix 2-3 of the application. This information includes the names of officers and directors and the dates they assumed their positions. Permits and operations held by the subsidiaries, officers and directors of Cyprus Amax Minerals Company are in Appendix 2-4. This information was not changed with this submittal.

Surface land ownership is shown on Exhibit 4-1 which was revised for this submittal. The application text includes the names and addresses of entities that own land both in and contiguous to the permit area, but this information needs to be better organized. For lands within the permit area, the application only shows the owner of lands with surface disturbance (Cyprus Western Coal Company). The rest of the entities owning surface land within the permit area are shown as owning land contiguous to the permit area. Also, many of the entities shown as owning land contiguous to the permit area own land that is nearby but not actually contiguous to the permit area.

The application and Exhibit 4-2 of the current plan show owners of mineral property within and contiguous to the permit area. The information appears to be correct except that Zions Bank probably does not own mineral property within or contiguous to the permit area.

MSHA numbers are shown in Table 2-1.

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Findings:

Information provided in the proposal does not meet all of the minimum regulatory requirements of this section. Prior to final approval, the applicant must provide the following:

R645-301-112.600 The application needs to have accurate lists of the names and addresses of owners of surface land both within and contiguous to the permit area.

In addition, the Division needs to change the name on its permit from Amax Coal Holding Company to Amax Coal Company.

RECOMMENDATIONS:

Amax needs to make some changes to the land ownership section of this amendment application, and the Division needs to change the name on its permit from Amax Coal Holding Company to Amax Coal Company.