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**Coastal States Energy Company**

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*orig mine file  
route to Prof  
cc: S. Linnan UB*

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JUL 06 1989

DIVISION OF  
OIL, GAS & MINING

July 6, 1989

Dr. Dianne Nielson, Director  
Division of Oil Gas & Mining  
335 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Re: Utah Fuel Company, Skyline Mine, 5-Year Permit Renewal

Dear Dianne:

This letter addresses the resolvment of remaining issues for the determination of completeness and technical adequacy of the Skyline permit application. The May 15th submittal of new information and designs, as agreed previously with your staff, has resulted in numerous additional comments and purported deficiencies. A meeting was held at Skyline on Tuesday, June 27th, to reach a common understanding of the work needed to complete the plan. A meeting has been scheduled for July 11th at the Division's offices to review the items to be resubmitted to DOGM and the process for resubmittal to ensure that the plan will be complete when delivered to the Division by July 20th.

The Skyline permit renewal process began in 1986, as you are aware. Since Skyline was operating under a previously approved permit, the updating of the permit resubmittal seemed a simple process. We mutually agreed, as you stated in your letter of January 29, 1987, "facilities, plans, and programs previously approved by DOGM and/or the Office of Surface Mining (OSM) are not required to be rejustified in Utah Fuel's submittal...." However, we agreed to supply additional information, as required by current regulations needed to provide a stand-alone document. A consolidated, simplified version of our plan was submitted to the Division on August 29, 1986. This submittal was not deemed "stand-alone", and attachments in the form of Appendices were added. Since the addition of the Appendices, new engineering calculations have been developed at the Division's request to support the design of existing, previously-approved facilities which handle run-off events. The final reclamation plan has also been completely revised to satisfy USFS concerns, resulting in new earthwork calculations. The Permit Application now consists of nine volumes.

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Coastal intends to answer properly all of the comments raised by DOGM since the first resubmittal in 1987, and to have a complete package delivered to DOGM by Thursday, July 20th. Furthermore, we hope that a commitment can be reached at our meeting on July 11th that will avoid reviewing again submittals which have been previously deemed complete. I believe if we work together, the resubmitted plan will be complete and technically adequate so that final approval can be accomplished in October.

We would appreciate candid and constructive comments from you and your staff, and cooperation from you and the Division in achieving this mutual goal.

Please let me know if I can be of any further assistance in expediting this process.

Sincerely yours,

  
Vernal J. Mortensen  
Senior Vice President

VJM/ak/77