

DIVISION OF  
OIL, GAS & MININGFEDERAL  
(April 1987)Permit Number ACT/007/005, May 1, 1987  
(Revised)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  
(801) 538-5340

This permit, ACT/007/005, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Coastal States Energy Company  
175 East 400 South, Suite 800  
Salt Lake City, Utah 84111  
(801) 596-7111

for the Skyline Mine. Coastal States Energy Company is the lessee of federal coal leases U-020305, U-044076, U0142235, U-0147570, and U-073120, a Carbon County coal lease and of fee-owned parcels. A performance bond is filed with the DOGM in the amount of \$1,850,500.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM 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 (as shown on the map appended as Attachment B) within the permit area at the Skyline Mine, situated in the state of Utah, Carbon County, and located:

Federal

Township 13 South, Range 6 East, SLBM

All or portions of Sections 10, 11, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34 and 35.

Township 13 South, Range 7 East, SLBM

All or portions of Sections 4, 5, 17, 18 and 19.

This legal description is for the permit area (as shown on Attachment B) of the Skyline Mine and Waste Rock Disposal Area. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 PERMIT TERM - This permit becomes effective on May 1, 1987, and expires on August 22, 1989.
- Sec. 4 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. 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 UMC 788.17-.19.
- Sec. 5 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, 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, UMC 840.12, 30 CFR 842.13 and UMC 842.13; and
  - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with UMC 842.12 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

- Sec. 6 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 mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent 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. 8 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. 9 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 DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

- Sec. 10 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. 11 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. 12 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 13 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 DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.
- Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under UMC 787.
- Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases, the federal mining plan approval, and this permit, the permittee shall comply with the schedule for submission of data, as outlined in the attached letters of August 10, 1988 and March 30, 1989, appended hereto as Attachments A and C.

The above conditions (Secs. 1-15) 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.





# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

Attachment A

August 10, 1988

Mr. Vernal J. Mortensen  
Senior Vice President  
Coastal States Energy Company  
175 East 400 South Suite 800  
P. O. Box 3  
Salt Lake City, Utah 84111

Dear Mr. Mortensen:

Re: Five-Year Permit Renewal, Utah Fuel Company, Skyline Mine,  
ACT/007/005, Folder #2, Carbon County, Utah

In our meeting of July 19, 1988, we agreed to establish a schedule for submission of information necessary for approval of the above-referenced permit. On July 26, 1988, Keith Welch met with Susan Linner and Lowell Braxton in that regard.

Both parties agreed that sufficient time must be given to research and provide requisite data for permit approval, and that the Division needs to time the receipt of this data such that minimum delay will result prior to the Division's review. Specific requests for information are enumerated in the Division's May 25, 1988 letter.

The meeting held on July 26, 1988 subdivided permitting activity into four categories as follows:

1. Miscellaneous Submissions: Including revisions to permit and disturbed area boundaries, land use, vegetational data, wildlife, soils, acid- and toxic-forming materials. Informational data relative to the waste rock disposal area not discussed in Items 2 and 3, below.

Schedule: Utah Fuel response by November 1, 1988.  
Division review by December 1, 1988.

2. Operational Hydrologic Design: Disturbed, undisturbed diversion design; sediment pond design calculations; sediment control calculations for roads and waste rock disposal areas; supporting data for small area exemptions.

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Mr. Vernal J. Mortensen

ACT/007/005

August 10, 1988

Schedule: Utah Fuel submits requisite data to the Division by December 1, 1988.

The Division completes its review by February 1, 1989.

3. Final Reclamation Design: Backfilling, grading, stream channel reconstruction, Phase I and II hydrologic information, reclamation plans for conveyor bench, culvert crossings and roads.

Schedule: Submission of information by Utah Fuel to the Division by December 1, 1988.

The Division completes its review by February 1, 1989.

④ Monitoring Commitments (Ground Water and Subsidence): Commitments to monitor groundwater, including the South Fork and Huntington Canyon areas, and commitment to monitor subsidence to insure protection of hydrologic balance.

Schedule: Submission of response by Utah Fuel to the Division by December 1, 1988.

Division completes its review by January 1, 1989.

Based on the above schedule, the Division would complete its review no later than February 1, 1989. If all the requisite data are submitted, a 60-day public comment period could commence, with permit issuance by April 1, 1989. The Division will issue a short-term permit, conditioned with the above-schedule, which will expire April 1, 1989. On April 1, based on the completion of that work, a new permit will be issued, with an expiration date of April 30, 1992, reflecting the expiration of the original permit.

Enclosed is the calendar schedule for this permit action. I believe the subject submission schedule is reasonable, based on the magnitude of technical issues pending resolution, and I commend Utah Fuel Company's commitment to this schedule. In order to avoid enforcement action, it is essential that these mutually-established deadlines be met.

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Mr. Vernal J. Mortensen  
ACT/007/005  
August 10, 1988

The Division technical staff is looking forward to working through the technical permitting problems with your representatives. Please contact Lowell Braxton or Susan Linner of my staff, should clarification of any of the above be required.

Best regards,



Dianne R. Nielson  
Director

LPB/djh  
Enclosure  
cc: K. May  
L. Braxton  
S. Linner  
0799R/53-55

Company  
Utah Fuel

Facility  
Skyline Mine  
Permit Action

File #  
007/005

5 year permit renewal (partial schedule only)

Anticipated Schedule	Actual Schedule	Remarks
	MAY	
	S M T W T F S	
	1 2 3 4 5 6 7	
	8 9 10 11 12 13 14	
	15 16 17 18 19 20 21	
r. Defic. letter	22 23 24 (25) 26 27 28	
company	29 30 31	
	JUNE	
	S M T W T F S	
	1 2 3 4	
	5 6 7 8 9 10 11	
	12 13 14 15 16 17 18	
	19 20 21 22 23 24 25	
	26 27 28 29 30	
	JULY	
	S M T W T F S	
	1 2	
	3 4 5 6 7 8 9	
	10 11 12 13 14 15 16	
dro, final reclm.	17 18 19 20 21 22 23	Meeting with dogm re, schedul
ound water monitr	24 25 (26) 27 28 29 30	Meeting establishes schedule
isc. data submission	31	
cheduled	AUGUST	
	S M T W T F S	
	1 2 3 4 5 6	
	7 8 9 10 11 12 13	
	14 15 16 17 18 19 20	
	21 22 23 24 25 26 27	
	28 29 30 31	
	SEPTEMBER	
	S M T W T F S	
	1 2 3	
ivision response	4 5 6 7 8 9 10	
n waste rock rd	11 12 13 14 15 16 17	
mt requirements	18 19 20 21 22 23 24	
due	25 26 27 28 29 30	
	OCTOBER	
	S M T W T F S	
	1	
	2 3 4 5 6 7 8	
	9 10 11 12 13 14 15	
	16 17 18 19 20 21 22	
	23 24 25 26 27 28 29	
	30 31	
	NOVEMBER	
	S M T W T F S	



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

Attachment C

March 30, 1989

CERTIFIED RETURN RECEIPT REQUESTED  
(P 879 596 390)

Mr. Vernal J. Mortensen  
Senior Vice President  
Coastal States Energy Company  
175 East 400 South, Suite 800  
Salt Lake City, Utah 84111

Dear Mr. Mortensen:

Re: Five-Year Permit Renewal, Utah Fuel Company, Skyline Mine,  
ACT/007/005, Folder #2, Carbon County, Utah

In our meeting of July 19, 1988, we agreed to establish a schedule for submission of information necessary for approval of the above-referenced permit.

Both parties agreed that sufficient time must be given to research and provide requisite data for permit approval, and that the Division needs to time the receipt of this data such that minimum delay will result prior to the Division's review. Specific requests for information were enumerated in the Division's May 25, 1988 letter.

My staff reports that the submission and review schedule was followed closely by both parties, and that both recognized by early February that determinations of completeness could not be made on the basis of the material on hand. A series of meetings was held at the mine February 21-24, wherein Utah Fuel staff in conjunction with Division of Oil, Gas and Mining and Manti-LaSal National Forest personnel discussed requisite changes to the submission. These meetings were very productive in terms of clarification and resolution of operational and reclamation design issues. A second meeting was held in the Division's offices on March 8, 1989, with concurrence reached on many previously unresolved issues.

Page 2  
Mr. Vernal J. Mortensen  
ACT/007/005  
March 30, 1989

The March 8, 1989 meeting substantiates that completeness could be determined based on resolution of issues in the February and March meetings, but that this could be determined only after submission of new material. Your staff agreed that drafting of maps and cross sections and typing of requisite material could be accomplished by May 15, 1989. Based upon the continued close cooperation between Division of Oil, Gas and Mining and Utah Fuel, it is reasonable to adjust the permit submission schedule as follows:

<u>May 15</u>	Resubmission of application to Division of Oil, Gas and Mining
<u>June 15</u>	Division determines application completeness and initiates reviews for technical adequacy. Utah Fuel publishes for public comment on June 20, 1989.
<u>August 20</u>	Public comment closes.
<u>August 22</u>	Permit issued, assuming no adverse comment.

Based on improvement in the application reached to date, I am extending the Skyline permit to August 22, 1989. I am asking Lowell Braxton to provide me with a monthly report of significant activities vis-a-vis this renewal schedule. You will be provided with a copy of the report.

Thank you for the efforts of you and your staff in this permit renewal.

Best regards,



Dianne R. Nielson  
Director

LPB/djh  
cc: L. Braxton  
S. Linner  
AT18/31-32

# SKYLINE MINE PERMIT AREA

