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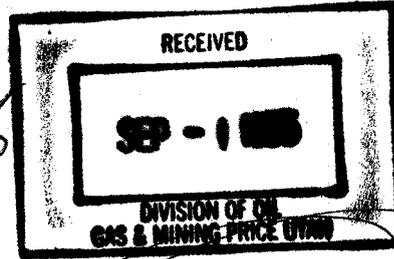


Coastal
The Energy People

August 31, 1995

Steve Demczak
College of Eastern Utah
Division of Oil, Gas & Mining
451 East 400 North
P.O. Box 169
Price, Utah 84501

ACT/007/005
95E



Folder # 2

Dear Steve,

Enclosed are DOGM forms C1 and C2 to update our surface facilities map. We have also enclosed 14 copies of Map 3.2.1-1 and Pages 4-13 and 4-16.

Most of the changes are adding storage areas and clarifying the location of some structures. We are adding a new rock dust building onto the side of the BC-4 transfer building and putting a small building over the dust collector at the end of the overland conveyor. We have changed the bonding calculations to show the addition of these two buildings. We have adequate bonding to cover these two buildings and still have approximately \$66,000 of excess bonding available in our contingency line item for future projects (See age 4-13). We have not changed map 3.2.1-3 as the dust collector is already shown on the map and the addition of a small building enclosure would not change the configuration already shown on the map.

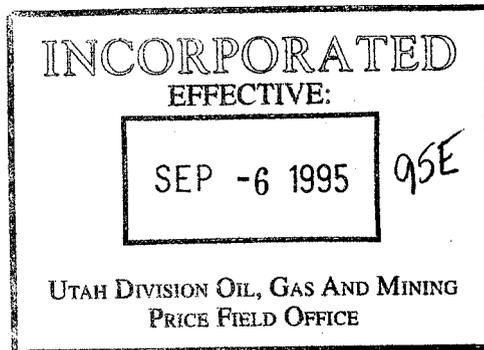
If you need any additional information please contact Keith Zobell.

Sincerely,

Ken Payne
Ken Payne
Vice President/General Manager
Utah Fuel Company

KP:KZ:dk
Enclosure

DOGM0831.KZ



Utah Fuel Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P O BOX 719 • HELPER UT 84526-0719 • 801/637-7925 • FAX 801/637-7929 • SALT LAKE 801/596-7111

APPLICATION FOR PERMIT CHANGE

Title of Change: Surface Facilities Update

Permit Number: Act/ 007 /005

Mine: Skyline

Permittee: Coastal States Energy

Description, include reason for change and timing required to implement:

Adding new storage areas and a new rock dust building and dust collector building.

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Change in the size of the Disturbed Area? acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Will permit change include operations outside the Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Will permit change include operations in hydrologic basins other than currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does permit change require or include public notice publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Permit change as a result of a Violation?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Permit change as a result of a Division Order? D.O.#
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Permit change as a result of other laws or regulations? Explain:
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Does permit change require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the permit change affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does permit change require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Does permit change require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does permit change require or include vegetation monitoring, removal or revegetation activities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does permit change require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does permit change require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does permit change require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	19. Does permit change require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does permit change require or include subsidence control or monitoring?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided or revised for any change in the reclamation plan?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Is this permit change coal exploration activity <input type="checkbox"/> inside <input type="checkbox"/> outside of the permit area?

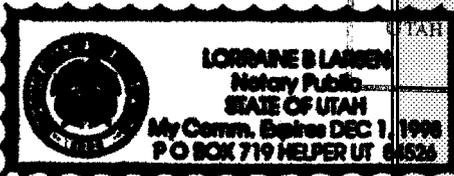
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X Attach 3 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

J. Craig Holt for Ken Payne VP & Gen Mgr 8/31/95
Signed - Name - Position - Date

Subscribed and sworn to before me this 31 day of Aug., 1995.
Lorraine B. Larsen
Notary Public
My Commission Expires: Dec 1, 1995
Attest: STATE OF Utah
COUNTY OF Carbon



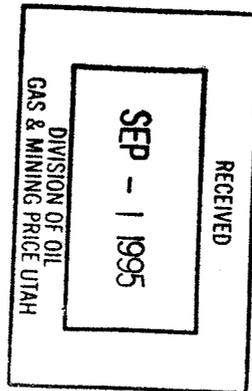
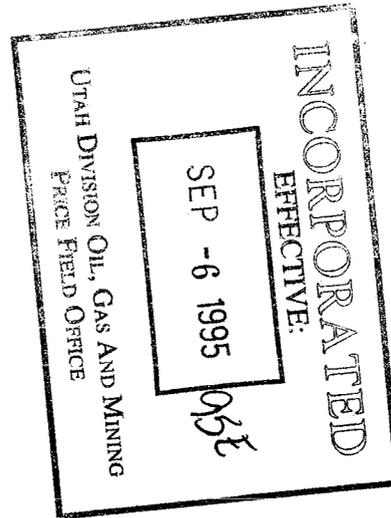
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 DIVISION OIL, GAS & MINING
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 ASSIGNED PERMIT CHANGE NUMBER
95E

BONDING CALCULATION
 SKYLINE MINE - ACT/007/005
 REVISED:
 PREPARED BY: GARY TAYLOR

31-Aug-95

BOND SUMMARY

I. SUBTOTAL DEMOLITION AND REMOVAL	\$1,166,292.96
II. SUBTOTAL BACKFILLING AND GRADING	\$324,479.30
III. SUBTOTAL TOPSOIL PREPARATION AND DISTRIBUTION	\$378,567.89
IV. SUBTOTAL STREAM CHANNEL RECLAMATION	\$388,262.21
V. SUBTOTAL REVEGETATION	\$120,502.33
VI. SUBTOTAL INTERIM SEDIMENT CONTROL FACILITIES	\$60,216.54
 SUBTOTAL OF RECLAMATION COSTS	 \$2,438,321.22
 10% MAINTENANCE AND MONITORING COST	 \$243,832.12
 2.72% CONTINGENCY FOR ANTICIPATED ADDITIONAL BONDING COSTS	 \$66,273.57
 5% CONTINGENCY FOR ENGINEERING COSTS	 \$121,916.06
 SUBTOTAL IN 1991 DOLLARS	 \$2,870,342.98
 SUBTOTAL WITH ESCALATION @ 1.93%/YR FOR 5 YEARS (1996 DOLLARS)	 \$3,147,331.08
 TOTAL BOND AMOUNT ROUNDED TO NEAREST \$1,000 IN 1996 DOLLARS	 \$3,147,000.00



DETAILED COST ESTIMATE:

DESCRIPTION	MATERIALS	QUANTITY	/UNIT	COST	/UNIT	AMOUNT
I. DEMOLITION AND REMOVAL						
A. EQUIPMENT (NO SALVAGE VALUE ALLOWED ON EQUIPMENT)		1,525	TONS	\$140.00	TONS	\$213,500.00
B. STRUCTURES						
SHOP-WAREHOUSE	MIX	1,969,000	FT3	\$0.20	FT3	\$393,800.00
ADMINISTRATION BUILDING	MIX	78,000	FT3	\$0.20	FT3	\$15,600.00
MINE #1 TRANSFER TOWER	MIX	186,040	FT3	\$0.20	FT3	\$37,208.00
MINE #2 DRIVE HOUSE	MIX	38,750	FT3	\$0.26	FT3	\$10,075.00
MINE #2 & #3 DRIVE HOUSE	MIX	180,000	FT3	\$0.20	FT3	\$36,000.00
CRUSHER - RAW COAL	MIX	88,000	FT3	\$0.20	FT3	\$17,600.00
TRUCK LOADOUT	MIX	30,000	FT3	\$0.20	FT3	\$6,000.00
RAILCAR LOADOUT	MIX	118,000	FT3	\$0.20	FT3	\$23,600.00
CONVEYORS (8)	MIX	357,960	FT3	\$0.20	FT3	\$71,592.00
WATER TANKS (2)	STEEL	46,800	FT3	\$0.18	FT3	\$8,424.00
PUMP HOUSE	MIX	860	FT3	\$0.20	FT3	\$172.00
WELL HOUSE (3)	MIX	24,000	FT3	\$0.20	FT3	\$4,800.00
WATER TREATMENT BUILDING	MIX	90,000	FT3	\$0.20	FT3	\$18,000.00
MISC. STORAGE BUILDING	MIX	4,640	FT3	\$0.20	FT3	\$928.00
OVERLAND CONVEYOR	MIX	480,000	FT3	\$0.20	FT3	\$96,000.00
GUARD RAIL	GUARD	1,500	FT.	\$4.90	FT.	\$7,350.00
ROCK DUST BUILDING	STEEL	15,504	FT3	\$0.18	FT3	\$2,790.72
OVERLAND DUST COLLECTOR	STEEL	4,800	FT3	\$0.18	FT3	\$864.00
C. CONCRETE/PAVEMENT REMOVAL						
UPPER TERRACE AREA						
CONVEYOR FOUNDATION	CONC	1,272	FT3	\$0.26	FT3	\$330.72
STACK TUBE	CONC	6,410	FT3	\$0.26	FT3	\$1,666.60
RECLAIM TUNNEL	CONC	52,910	FT3	\$0.26	FT3	\$13,756.60
SLOPE PROTECTION APRON	CONC	20,340	FT3	\$0.26	FT3	\$5,288.40
ROCK DUST BUILDING	CONC	1,874	FT3	\$0.26	FT3	\$487.24
MIDDLE TERRACE AREA						
SHOP-WHSE FOUNDATION	CONC	5,130	FT3	\$0.26	FT3	\$1,333.80
#1 TRANSFER TOWER	CONC	1,782	FT3	\$0.26	FT3	\$463.32
CONVEYOR FOUNDATIONS	CONC	1,458	FT3	\$0.26	FT3	\$379.08
RAW COAL SILO	CONC	18,360	FT3	\$0.26	FT3	\$4,773.60
PARKING AREA	PAVE	1,260	FT2	\$3.40	FT2	\$4,284.00
ON SITE DISPOSAL	SITE	1,026	YD3	\$5.10	YD3	\$5,232.60

4-16 R8-31-95

INCORPORATED
EFFECTIVE:
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PRICE FIELD OFFICE

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