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UNC PLATEAU MINING

Act/007/006

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Subsidiary of United Nuclear Corporation
A **UNC RESOURCES** Company

P.O. Drawer PMC
Price, Utah 84501

Telephone 801/637-2875



May 1, 1979

Cleon B. Feight, Director
Department of Natural Resources
Division of Oil, Gas & Mining
1588 West North Temple
Salt Lake City, UTAH 84116

Dear Director Feight:

Enclosed please find a copy of a resolution approved by the Utah Coal Operator's Association on April 4, 1979.

Your support of the Coal Operator's position on this matter will be appreciated.

If you have any questions or desire further information please contact:

Thomas F. Bailey
c/o UNC Plateau Mining
P.O. Drawer PMC
Price, UTAH 84501

Sincerely,

Thomas F. Bailey
Board Member/Chairman -
Public Relations Committee
Utah Coal Operator's Association

Enclosure

RESOLUTION

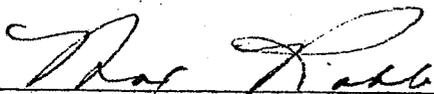
The Utah Coal Operators Association (UCOA) does hereby resolve that it is opposed to the proposed exchange of Utah Power and Light Company's (UP&L) preference right lease applications in Garfield County for Federal leases in the Huntington Canyon area in Carbon and Emery Counties for the following reasons:

- 1) The proposed exchange would remove valuable coal reserves from the competitive leasing system and give UP&L monopolistic control of the most economically attractive unleased Federal coal reserves remaining in the State of Utah.
- 2) The proposed exchange would limit the expansion of two existing mining operations and would force them to either cease operation in the very near future or negotiate with UP&L while the utility has a monopolistic bargaining position.
- 3) The proposed exchange would preclude any chance for independent development or expansion of at least two existing Federal leases in this area.
- 4) The proposed exchange would constitute an admission that the vast coal reserves in Garfield and Kane Counties are unsuitable for mining and would therefore eliminate any opportunity for economic growth of these two counties through the development of the coal resource.
- 5) The proposed exchange would virtually eliminate any opportunity for private coal producers to provide coal on a competitive basis to UP&L's existing and proposed power plants. This would allow UP&L to establish its own cost of coal without regard to market conditions, possibly increasing the consumer's cost of electricity.
- 6) The UCOA is not opposed to, but supports, a substitution or exchange of valid existing leases, determined to be not suitable for mining, for open Federal coal reserves, as provided by law. A determination of such unsuitability has not been made on UP&L's Garfield County preference right lease applications.

Adopted the 4th day of April, 1979.

STATE OF UTAH)
) :ss.
COUNTY OF CARBON)

I hereby certify that on April 4, 1979 the foregoing resolution was adopted by the Board of Directors of the Utah Coal Operators Association.



Secretary