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PLATEAU MINING COMPANY

A Subsidiary of Getty Mineral Resources Company

P. O. Drawer PMC

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DIVISION OF
OIL, GAS & MINING

December 4, 1981

Mr. Roland G. Robison
Bureau of Land Management
Utah State Office
136 East South Temple
Salt Lake City, Ut 84111

RE: Lease Modification
Federal Lease SL 031286

Dear Mr. Robison,

Pursuant to 43 CFR 3432 - Lease Modification, PLATEAU MINING COMPANY would like to modify Federal Coal Lease SL 031286 to include an additional 160 acres contiguous to those embraced by Federal Lease SL 031286.

The tract being applied for is an isolated area located between our existing lease and a large graben area to the west, and a suspected dike and faulted area to the north. These adverse geologic conditions required that this area be mined consistent with our present mine plans. We anticipate being to the boundary of Federal Lease SL 031286 by June 1982, and would like to explore this tract into the graben in a logical mining sequence.

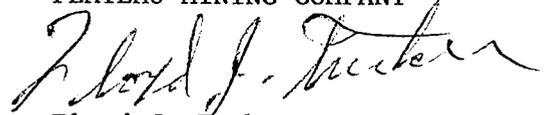
We feel this tract meets the criterion as outlined in 3432.2. We have enclosed a detailed report and mine maps covering the availability as described in 3432.2.

We are enclosing a check in the amount of \$250.00 the application fee for this lease modification.

Your immediate attention in processing this application will be appreciated since we will be at the boundary of SL 031286 by June 1, 1982.

Respectfully yours,

PLATEAU MINING COMPANY



Floyd J. Tucker
General Manager

FJT/gd
enclosures

- | | |
|---|------------------------------------|
| cc: J.D. Spaulding - Getty w/enc. | H. Laursen - Getty w/enc. |
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| B. Snyder - Plateau | S. Rigby - Plateau w/enc. |
| M. Dmitrich - Plateau w/enc. | J. Moffitt - U.S.G.S(SLC) w/enc. |
| R. Christensen - U.S.F.S.(Price) w/enc. | |
| J. Smith - D.O.G.M. (SLC) w/enc | R. Davies - O.S.M. (Denver) w/enc. |

GENERAL INFORMATION FOR
LEASE MODIFICATION
FEDERAL LEASE SL 031286

Needs or Reasons for Lease Modification

PLATEAU MINING COMPANY is presently advancing westerly toward the tract for which we are applying. This parcel is included in the proposed "Castle Valley Ridge" tract for possible competitive leasing, in Phase II. Phase II coal leasing will not be available for leasing until the latter part of 1983.

Since we will be at the boundary of SL 031286 by June 1982, there is a possibility that this small area will not be available for future mining if we are unable to acquire this lease modification.

This tract is surrounded by large graben area to the west, and a dike and faulted area to the north, thus isolating this small area.

If we are successful in obtaining this modification, we will then proceed mining in a westerly direction to the graben. This request will serve a dual purpose. It will allow for exploration of the graben area for possible future mine expansion into the Castle Valley Ridge tract, and will also allow for the recovery of coal reserves in this small tract, which will not be recoverable if PLATEAU MINING COMPANY does not receive permission to mine the coal.

No Other Competitive Interest

Due to the isolation and size of this reserve, it would not be economically practical for an independent operator other than PLATEAU MINING COMPANY to be interested in mining this tract. Further, the boundaries of the graben area and the dike and fault have not been defined, therefore it would be impossible to determine the coal reserves to support a logical mining unit on its own.

The graben isolates this parcel from the "Castle Valley Ridge" tract, therefore it would not be feasible to mine this small area from the "Castle Valley Ridge" tract. Further, competitive interest in this acreage was not made evident during, or since, the time frame allotted under Coal Exploration Licensing Regulations.

Coal Deposits

The coal deposits are located under approximately 1500 feet of cover. The only possible recovery of these deposits would be by underground mining techniques. The logical mining sequence of this tract would be the continuation of PLATEAU MINING COMPANY'S present mine plan as shown by the enclosed map.

Fair Market Value of Lease

Due to the unknown boundaries of the graben and the dike and fault area, the reserves are of an unknown quantity. Therefore, a fair market royalty on the mined coal would be appropriate for both the United States and PLATEAU MINING COMPANY.

Legal Description of Lease Modification

E $\frac{1}{2}$ E $\frac{1}{2}$, Section 11, T15S, R7E; SLBM

total acres - Approximately 160.

Summary

We feel the request for this lease modification is justified as has been expressed. Should this modification request be rejected, the recovery of the coal in this tract would be jeopardized and possibly lost forever.