

RECEIVED

SEP 10 1982

**DIVISION OF
OIL, GAS & MINING**

PLATEAU MINING COMPANY

MINE PLAN MODIFICATION

ADDITION OF

LEASE MODIFICATION - SL 031286

TO THE PRESENT

APPROVED MINING PLAN

MODIFICATION:

A coal lease modification, applied for December 4, 1981 and later amended March 3, 1982, was issued to Plateau Mining Company effective September 13, 1982 for 160 acres in Carbon and Emery Counties, Utah. This Mining and Reclamation Plan Modification would incorporate this recently obtained Federal Lease Modification into the approved mining plan.

BACKGROUND INFORMATION:

Plateau Mining Company, a wholly owned subsidiary of Getty Mining Company, a Getty Oil Company company, owns and operates two coal mines located near Wattis, Utah.

The two underground coal mines are producing approximately 1.6 million tons of coal per year. Current production comes from three seams located within the limits of the property and are named (from top to bottom): Wattis Seam, Third Seam, and Hiawatha Seam.

Plateau Mining Company has undergone an extensive rehabilitation program since it acquired the property from Lion Coal Corporation in 1972. Only in the past three years has mining been conducted in the virgin areas surrounding the old Lion Coal workings. The management philosophy at Plateau has been to mine to the fullest extent possible the coal reserves it possesses. Within the tracts and pillars left by Plateau's predecessors are the areas where mining has occurred while rehabilitation of entries leading to large virgin areas progressed. By acquiring this lease and mining it at this time, Plateau will conserve the valuable coal resource found in this block that otherwise would have been lost.

RESPONSIBLE PERSON:

Floyd J. Tucker
Executive Vice President & General Manager
Plateau Mining Company
P.O. Drawer PMC
Price, Utah 84501
(801) 637-2875

The officers and addresses of Plateau Mining Company, as well as the officers of Getty Oil Company, are listed in Plateau Mining Company's Underground Mining Permit Application dated February 20, 1981.

COAL LEASES:

The coal leases under which Plateau Mining Company currently operates are as follows:

Federal Coal Lease	SL 031286
Federal Coal Lease	U 7949
Federal Coal Lease	U 13097
Federal Coal Lease	U 37045
Utah State Coal Lease	22729

In addition, the operator owns some coal property in fee.

M.S.H.A. IDENTIFICATION NUMBERS:

The Mine Safety and Health Administration numbers for the mining operations are 42-00170 and 42-00171.

42-00170 includes Star Point No. 1 Mine.

42-00171 includes Star Point No. 2 Mine.

SURFACE OWNERSHIP:

The surface area overlying the mining area contained within the lease modification

is managed by the U.S.D.A. Forest Service, Manti-LaSal National Forest.

The responsible Forest Service official is:

Reed C. Christensen
Forest Supervisor
Manti-LaSal National Forest
Price, Utah 84501
(801) 637-2875

LOCATION:

Federal Lease Modification SL 031286 has the following legal description:

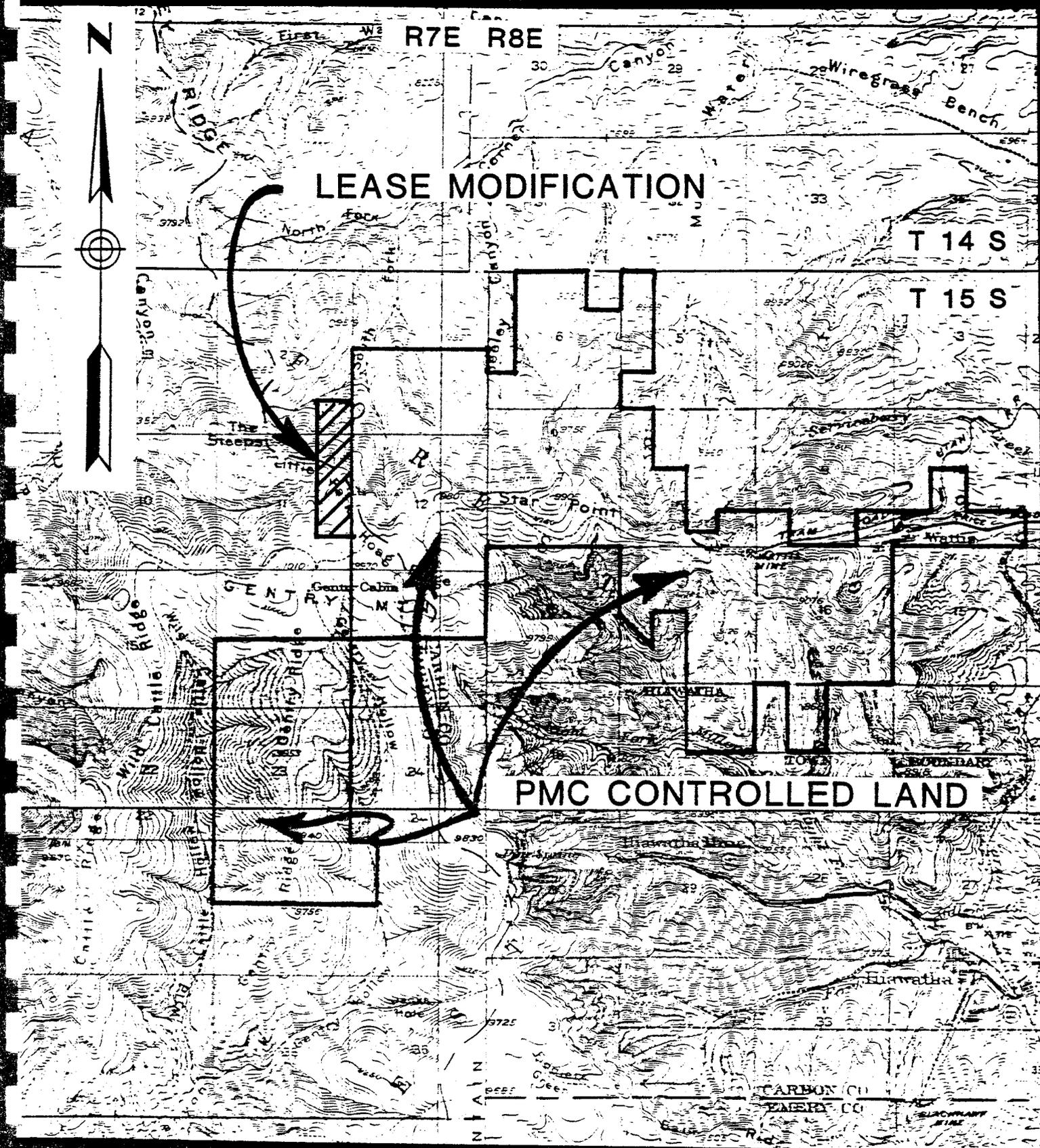
T15S, R7E, SLM, Utah, Carbon and Emery Counties
Sec. 2, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 11, E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Containing 160 acres more or less.

(See: Location Map - Map No. 1)

GEOLOGIC STRUCTURE:

The area contained in Federal Lease Modification SL 031286 is similar to the surrounding countryside. The strata, for all intents and purposes, are flat lying. The areal dip of the Wattis seam is slightly over two degrees in a south-southeasterly direction, with a strike of North sixty-eight degrees East.

Major faulting occurs in the area with anticipated displacement ranging from 150 to 250 feet. This faulting is sympathetic to the regional North-South trending Pleasant Valley Fault System, and is referred to on the maps as the "Graben" area. Several minor faults leading up to this major fault zone have been encountered in the past mining operations. (A detailed description of the geology of the region is contained in the aforementioned



LOCATION MAP

Map No. 1

(From Wattis & Hiawatha Quadrangles)

Mining Permit Application.) The Coal Isopach maps and the Overburden map are contained in the map attachment.

RESERVES:

The reserve information supplied for this lease modification is based upon an extension of information from the existing mined area and from surface drilling. (Information obtained during the recent exploration program is in a "preliminary" state; nevertheless, coal isopach maps are included in this document.)

The estimated reserve includes the coal thought to be present in all three seams.

As pointed out in the application for the lease modification, the tract is an isolated area bounded by our existing lease and the "graben" structure. It is anticipated that the graben will be encountered while mining in this block. This will provide opportunity for exploration of coal features to the west as well as provide an indication as to the difficulty in mining through the structure. The exact location of this structure is unknown at this time and, therefore, it is difficult to project the mineable coal reserves within the tract. However, for purposes of calculating reserve figures, the graben has been neglected and tonnages are indicated as if no adverse geologic features were present.

The reserves for this tract of coal, (assuming 1,750 tons per acre-ft.,) are as follows:

Wattis Seam (7 ft. average height, 146.92 acres) 1,800,000 tons.

Third Seam (8.4 ft. average height, 146.92 acres) 2,200,000 tons.

Hiawatha Seam (5.5 ft. average height, 87.24 acres) 840,000 tons.

This estimated in-place tonnage is the extreme upper limit which could be expected should faults, burned areas and/or thinning not be encountered.

OUTCROP INFORMATION:

Very little is known about the coal outcrop as it is difficult to determine an accurate outcrop line in this region. Past experience has shown that the coal outcrop may be from within 10 feet to several hundred feet inside the daylight line depicted on the map. (See Sheet No. A.) Because of this, the outcrop shown on Plateau's maps is actually a daylight line.

COAL QUALITY DATA:

The following Wattis seam analytical information is based on the average of the various parameters taken over the entire property. This information is only a best guess as the surface drill hole information is still being compiled for this area and outcrop samples would yield questionable results.

WATTIS SEAM

Moisture %	8.0
Ash %	15.5
Sulfur %	.8
BTU	12,000

(Dry Coal Basis)

MINING PROCEDURE:

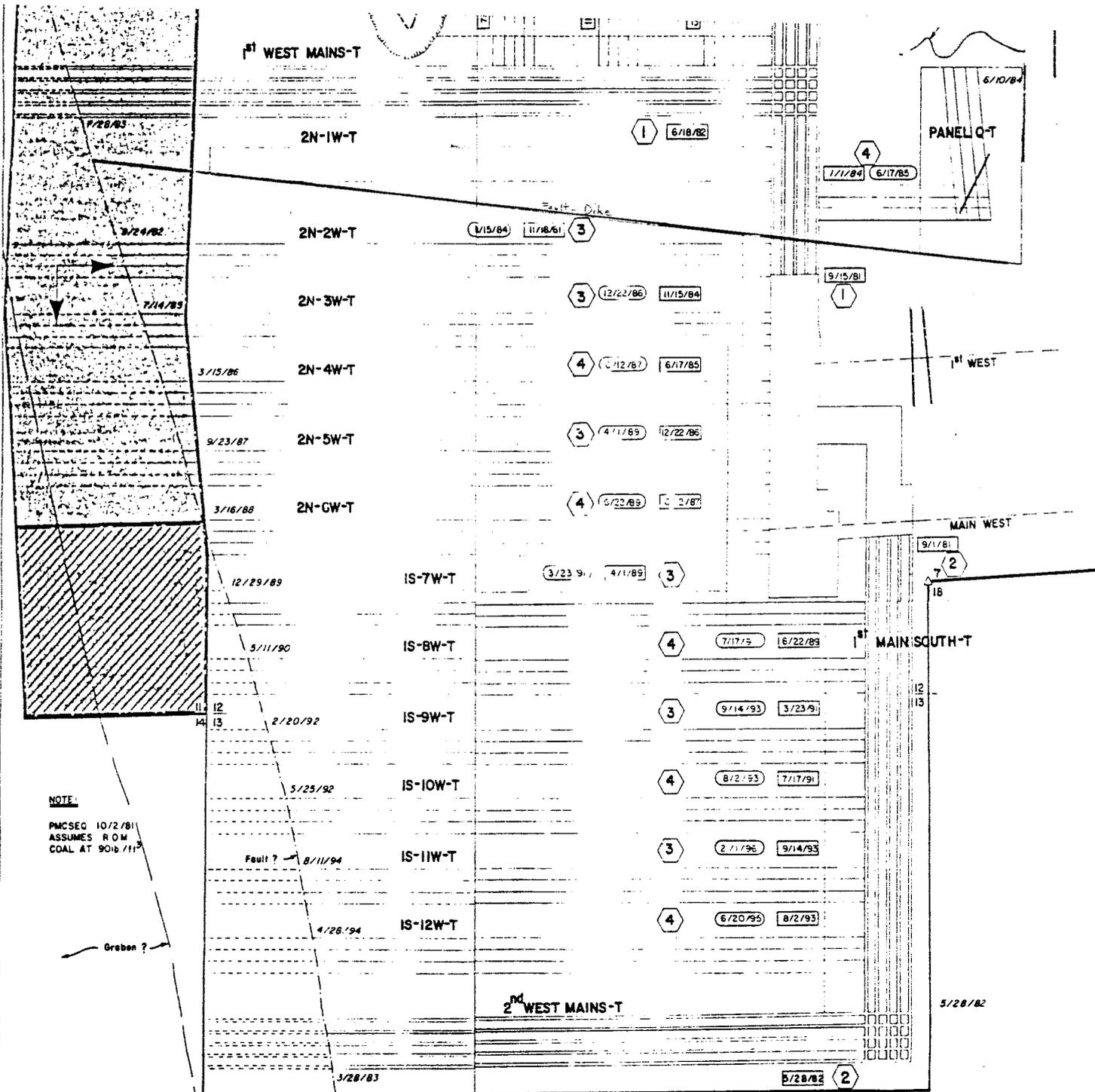
Mining is currently proceeding in a westerly direction within Federal

N. T. SCHWÉ

DATE	BY	REVISION
10/2/81	JMS	REVISED
9/2/81	JMS	REVISED
9/2/81	JMS	REVISED

LEASE MODIFICATION - SL 031286
WATTIS SEAM DEVELOPMENT

AMENDED 3/3/82



NOTE:
PMCSEC 10/2/81
ASSUMES ROM
COAL AT 90lb/ft³

FED. LEASE
U-13097

SHEET NO. "A"

Lease SL 031286. (See Sheet No. A) These headings are referred to as the 2nd Left Section and are indicated on the map as 2N-2W-T. Mining is accomplished by room-and-pillar mining methods utilizing a continuous miner with associated underground equipment. The main entries in this section of the mine will consist of four headings on 80-foot centers with cross cuts approximately 80 feet apart.

Mining will continue to the west until the anticipated fault is encountered. At that time, definition of the graben will be realized while production will continue by developing rooms for pillar extraction north from the main headings. Pillar retreat mining will occur when the dike-fault system is encountered to the north. The entire "wedge" of coal, including the main panel headings, will then be mined out retreating to within 200 feet of the 2nd Main North entries.

A bleeder system, consisting of two open entries, will be developed and left open on the West and North boundaries of the 2nd Left Panel. These entries will allow for proper ventilation of the mined out areas. As further panels are developed and retreated in the same manner as the 2nd Left Panel, they will connect into this bleeder system.

Investigation into the feasibility of using a longwall mining system is occurring at this time. Should we use this mining method, the development for the longwall panels will follow the same layout as for the room and pillar panels. The required bleeder system will also be developed and maintained.

If conditions are found favorable for crossing the graben and the Castle Valley Ridge (CVR) tract is leased by Plateau Mining Company, then main entries would be driven through this lease modification area north of the dike-fault system to access the CVR tract. This is shown as 1st West Mains - T on the map.

No entries will be driven closer than 200 feet to the outcrop line on the North. Mining in this manner will protect the steep escarpments at the daylight line from mass slope failures. It should also assure that no unauthorized surface breakouts or exterior portal entries will be constructed on the lease tract. In such cases where burn or faulting prohibits mining or where pillars cannot be extracted for any reason, the M.M.S. will be notified and a request will be made to leave the coal.

Ventilation during the mining of this tract will be accomplished via the use of conventional block-stoppings and overcasts which will allow the maintenance of adequate air supplies to the remainder of the mine. All mine openings will be supported according to the approved roof control plan for this mine.

SUBSIDENCE & HYDROLOGY:

Plateau Mining Company has implemented its subsidence and hydrologic monitoring program. The subsidence monitoring points have already been extended to cover this portion of the mountain and will be picked up on the flight in the fall.

This area was also covered in the Vaughn Hansen Associates' Report entitled "Hydrologic Inventory, Dec. 1979". Plateau Mining Company intends

to do the required monitoring as outlined in this report and as the Forest Service requests.

RECLAMATION:

Entry into this lease will be by underground access. There will be no roads or other surface disturbance other than the possibility of subsidence fractures. The need for future surface reclamation is not anticipated at this time.

LEASE MODIFICATION SL 031286

CORRESPONDENCE

PLATEAU MINING COMPANY

A Subsidiary of Getty Mineral Resources Company

P. O. Drawer PMC

Price, Utah 84501

Telephone (801) 637-2875

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.

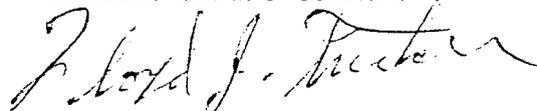
We feel this tract meets the criterion as outlined in 3432.2. We have enclosed a detailed report and mine maps covering the availability as described in 3432.2.

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.
J. Spiecha - Getty w/enc. J. Mercier - Getty
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.

DAWES

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.

PLATEAU MINING COMPANY

A Subsidiary of Getty Mineral Resources Company

P.O. Drawer PMC

Price, Utah 84501-0904

Telephone (801) 637-2875

March 3, 1982

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

RE: AMENDMENT TO LEASE MODIFICATION (FEDERAL COAL LEASE SL-031286)

Dear Mr. Robison:

On December 4, 1981, Plateau Mining Company made application to your office to modify its Federal Coal Lease SL-031286 to include an additional 160 contiguous acres. This acreage is legally described as: E $\frac{1}{2}$ E $\frac{1}{2}$, Section 11, Township 15 South, Range 7 East, Salt Lake Base and Meridian.

Recently, certain individuals within the Interior Department's Minerals Management Service have expressed concern that there is some coal immediately to the North of this 160-acre parcel which would be lost forever if not mined by Plateau in conjunction with this modification. Plateau Mining Company concurs with this opinion. Therefore, we are hereby requesting that the SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 11, T.15S., R.7E., S.L.B. and M. be deleted from our proposed modification and that the SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 2, T.15S., R7E., S.L. B. and M. be added in its place. The entire description of the lands sought in this modification would then be:

- (1) SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 2, T.15S., R.7E., S.L. B. & M. (40 acres)
 - (2) E $\frac{1}{2}$ NE $\frac{1}{4}$, Section 11, T.15S., R.7E., S.L. B. & M. (80 acres)
 - (3) NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 11, T.15S., R.7E., SL.B. & M. (40 acres)
- Total acres \approx 160

These lands are shown on the enclosed map.

Amendment to Lease Modification (Federal Coal Lease SL-031286)
March 3, 1982
Page 2

Mining operations are rapidly proceeding toward the west boundary line of Federal Coal Lease SL-031286, and hence, your immediate attention in this matter would be greatly appreciated.

Sincerely,

PLATEAU MINING COMPANY



Floyd J. Tucker
Vice President and General Manager

cc: J. D. Spaulding - Getty w/enclosure
J. Spiecha - Getty w/enclosure
B. Snyder - Plateau w/enclosure
M. Dmitrich - Plateau w/enclosure
R. Christensen - U.S.F.S. (Price) w/enclosure
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S. Rigby - Plateau w/enclosure
J. Moffitt - M.M.S. (S.L.C.) w/enclosure
R. Dawes - O.S.M. (Denver) w/enclosure
J. Rosner - Plateau w/enclosure

Enclosure

FJT/lm

MAP ATTACHMENT

- 1) Lease Modification - SL 031286
Wattis Seam Development
Amended 3/3/82 1" = 400' scale
- 2) Wattis Seam Overburden Map
1" = 1,000' scale
- 3) Wattis Seam Coal Isopach Map
1" = 1,000' scale
- 4) Third Seam Coal Isopach Map
1" = 1,000' scale
- 5) Hiawatha Seam Coal Isopach Map
1" = 1,000' scale