



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

February 18, 1986

Ms. Kathleen J. Gormley
Cyprus Mining Company
P. O. Box 3299
Englewood, Colorado 80155

Dear Ms. Gormley:

RE: Plateau Mining Company, Star Point Mines, ACT/007/006, #2,
Carbon County, Utah

Please excuse this tardy response to your letter of November 19, 1985 wherein the issue of a transfer of the mining and reclamation permit for the Star Point Mines subsequent to the acquisition of this mine by Cyprus was discussed.

The ramifications of this acquisition have been reviewed by an Assistant Attorney General and this review has determined that since Cyprus has effective control of the Star Point Mines, a transfer of the mining and reclamation permit as per UMC 788.17 (copy enclosed) must be accomplished. If the operational responsibility for the Star Point Mines will remain with Plateau Mining Company and if the bond amount and surety holder will not change, would you please address this as per UMC 788.17.

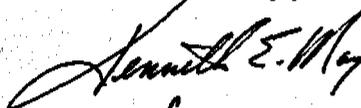
Although the Division of Oil, Gas and Mining will review your transfer application against the full measure of UMC 788.17, the principal changes resulting from the purchase of Plateau Mining Company by Cyprus Western Coal Equipment Company with its ultimate connection to Cyprus Coal Company will in all probability be those of UMC 782.13 "Identification of Interests."

FILE COPY

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Ms. Kathleen J. Gormley
ACT/007/006
February 18, 1986

Would you please endeavor to initiate the permit transfer on or before March 10, 1986.

Sincerely,



- for -

Dianne R. Nielson
Director

LPB/btb
Enclosures

cc: Ben Grimes
Barbara Roberts
Allen Klein
Ken May
Lowell Braxton
John Whitehead

0168R-26 & 27

UMC 788.18 Transfer, Assignment, Or Sale Of Permit Rights: Obtaining Approval

(a) Any person seeking to succeed transfer, assignment, or sale to rights granted by a permit issued under a regulatory program shall, prior to the date of such transfer, assignment or sale-

(1) Obtain the performance bond coverage of the original permittee by:

(i) Obtaining transfer of the original bond;

(ii) Obtaining a written agreement with the original permittee and all subsequent successors in interest (if any) that the bond posted by the original permittee and all successors shall continue in force on all areas affected by the original permittee and all successors, and supplementing such previous bonding with such additional bond as may be required by the Division. If such an agreement is reached, the Division may authorize for each previous successor and the original permittee the release of any remaining amount of bond in excess of that required by the agreement;

(iii) Providing sufficient bond to cover the original permit in its entirety from inception to completion of reclamation operations; or

(iv) Such other methods as would provide that reclamation of all areas affected by the original permittee is assured under bonding coverage at least equal to that of the original permittee; and

(2) Provide the Division with an application for approval of such proposed transfer, assignment, or sale, including-

(i) The name and address of the existing permittee;

(ii) The name and address of the person proposing to succeed by such transfer, assignment, or sale and the name and address of that person's resident agent;

(iii) For underground coal mining activities, the same information as is required by UMC 782.13, 782.14, 782.15, 782.16(c), 782.18 and 782.19 for applications for new permits for those activities.

(3) Obtain the written approval of the Division for transfer, assignment, or sale of rights, according to Paragraph (c) of this Section.

(b)(1) The person applying for approval of such transfer, assignment or sale of rights granted by a permit shall advertise the filing of the application in a newspaper of general circulation in the locality of the operations involved, indicating the name and address of the applicant, the original permittee, the number and particular geographic location of the permit, and the address to which written comments may be sent under this Paragraph.

(2) Any person whose interests are or may be adversely affected, including, but not limited to, the head of any local, State or Federal government agency may submit written comments on the application for approval to the Division, within 30 days of date of publication as required in (b)(1) above.

(c) The Division may, upon the basis of the applicant's compliance with the requirements of Paragraphs (a) and (b) of this Section, grant written approval for the transfer, sale, or assignment of rights under a permit, if it first finds, in writing, that-

(1) The person seeking approval will conduct the operations covered by the permit in accordance with the criteria specified in UMC 785 and 786.19-786.21 and the requirements of the Act, this Chapter, and the regulatory program;

(2) The applicant has, in accordance with UMC 788.18(a)(1), submitted a performance bond or other guarantee as required by Subchapter J and at least equivalent to the bond or other guarantee of the original permittee; and

(3) The applicant will continue to conduct the operations involved in full compliance with the terms and conditions of the original permit, unless and until it has obtained a new permit in accordance with this Subchapter as required in Section UMC 788.19.

UMC 788.19 Requirements For New Permits For Persons Succeeding To Rights Granted Under A Permit

(a) A successor in interest to a permittee who is able to obtain the bond coverage of the original permittee may continue underground/surface coal mining and reclamation activities according to the approved mining and reclamation plan and permit of the original permittee.

(b) Pursuant to Section UMC/SMC 788.18(c)(3), any successor in interest seeking to change the conditions of mining or reclamation operations, or any of the terms or conditions of the original permit shall-

(1) Make application for a new permit under UMC 771-787, if the change involves conducting operations outside the original permit area; or

(2) Make application for a revised permit under Section UMC 788.12.