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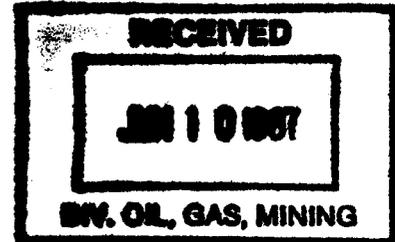


PLATEAU MINING COMPANY

A Subsidiary of Cyprus Coal Company
P.O. Drawer PMC Price, Utah 84501
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*Orig memo file
Route thru
L Braxton
ACT/007/006-87B
Folder # 2 & 15*

June 9, 1987



Dr. Dianne Nielson, Director
Utah State Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

**RE: "Incidental Boundary Change",
Request by Cyprus Plateau Mining Company**

Dear Dr. Nielson and Mr. May:

In accordance with the State of Utah's "Final Rule Amendments":

- a) SMC/UMC 700.5 Definition - Incidental Boundary Change;
- b) SMC/UMC 771.21(b)(3) Permit Application Filing Deadlines;
- c) SMC/UMC 778.12 Permit Changes;

Cyprus Plateau Mining Company herein submits a request for an "Incidental Boundary Change".

Dimensions:

The proposed area represented by the "Incidental Boundary Change" will be a strip of fee land, owned by U.S. Fuel Company, coal owned by Cyprus Plateau Mining Company, that is 900 feet in the east-west direction and 350 feet in the north-south direction. The "Change" will result in 7.23 acres being added to the existing permit ACT/007/006. The requested acreage (7.23) complies with the definition SMC/UMC 700.5 "Incidental Boundary Change" in that the acreage is less than 1% and less than 10 acres. Cyprus Plateau Mining Company has not previously applied for an "Incidental Boundary Change".

Location:

The 7.23 acre proposed change will be located within the N1/3, NW1/4, NW1/4, Section 18, Township 15 South, Range 8 East, Salt Lake Base and Meridian. The "Change" is a portion of that fee land (468.07 acres) wherein Cyprus Plateau Mining Company purchased the coal reserve and mining rights in December, 1985. The total of the 468.07 acres, termed "The U-North Lease", was one of five parcels that Cyprus Plateau Mining Company submitted

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application for addition (Permit Application - "New Lands") to the existing Mine Permit ACT/007/006 on December 19, 1986. The description of the 468.07 acre U-North Lease as taken from Pages 782-20, 782-20a of the Permit Application Package (PAP) follows:

Beginning at the northwest corner of Section 18, Township 15 South, Range 8 East, Salt Lake base and meridian; then N87°01'47"E along the section line 2558.26 feet to the North $\frac{1}{4}$ corner of said Section 18, thence N87°02'21"E along the section line 2629.85 feet to the northeast corner of said Section 18, thence S0°17'55"E along the section 2755.81 feet to the East $\frac{1}{4}$ corner of said Section 18, thence S0°12'05"E along the section line 1362.19 feet, thence west 3618.00 feet, thence north 268.00 feet, thence west 1641.59 feet to the west boundary of said Section 18, thence N0°10'23"E along the section line 962.79 feet to the West $\frac{1}{4}$ corner of said Section 18, thence N1°14'00"E along the section line 2619.37 feet more or less to the point of beginning. Containing 468.07 acres.

Starting at the northwest corner of Section 18, Township 15 South, Range 8 East Salt Lake Base and Meridian, Plateau hereby proposes the description labeled "Exhibits I & II", attached, for the proposed "Incidental Boundary Change". Coordinates are Utah State plane, sea level datum. Reference Map 1, Overview, and Map 2, Proposed "Incidental Boundary Change".

Justification:

Cyprus Plateau Mining Company is requesting the "Incidental Boundary Change" to prevent an interruption to mining activities while approval of the Permit Application - "New Lands", is undergoing the review and approval process as mandated by UMC 770. Cyprus Plateau Mining Company submitted the Permit Application - "New Lands" on December 19, 1986, in order to add new parcels to the existing Permit ACT/007/006 which was previously submitted to the Division of Oil, Gas and Mining on September 29, 1986. Plateau requested approval by June, 1987, of the "New Lands" addition. This request was subsequently followed by several petitions for the "Division" to conclude approval by July 31, 1987. The "New Lands" application has been declared complete with public notice statements being posted as of June 2, 1987. Cyprus Plateau Mining Company is extremely concerned that any further delays with the Technical Assessment or other approval increment will result in a curtailment of mining and, therefore, a loss of employment and a breach of contractual commitments.

Details of Justification:

The coal resource within Plateau's permit area and U-North Reserve addition lie in three coal seams. Recoverable coal may be available in a mineable height in all three seams or, due to depositional and structural events, be locally unmineable. Plateau utilizes two systems of mining for resource recovery -- the longwall method and the continuous miner method. Currently, we operate one longwall section and three continuous miner sections. The longwall unit accounts for 60% of annual production while only one-third of the reserve is amenable to longwall recovery. The longwall system offers superior advantages to the operator in recovering coal under adverse geological settings; namely, safety in terms of roof control, improved resource recovery, less rock dilution, and improved productivity. All of these aspects are essential to the mining company's struggle to compete in the adverse marketing conditions that exist among Utah coal producers. The proper planning and sequencing of districts for the longwall and continuous miners to recover the committed requirements of coal are critical to our existence.

An existing permitted reserve, Federal Lease SL-031286 lies immediately north and west of the U-North Reserve. The existing longwall recovery is taking place in the Wattis Seam (top) of SL-031286. In August, 1987, this face (longwall equipment) will be relocated to the 6th Panel. There remains only one narrow panel in the District, No. 007. Therefore, this mining district in the Wattis Seam (top) will be completely recovered to longwall mining in August, 1988. The next district that has to be mined is the Wattis (top) Seam of U-North -- the subject lease of the "Change" request and a portion of the "New Lands" addition. The attached chart, "Plateau's Development Scheduling", depicts the various critical milestone dates of our mining sequence. The right-hand column for the U-North Reserve lists a footage of 9,970 feet of multi-entry development (i.e., two, three, and five entries tied by crosscuts) that must be completed from today to the moving of the longwall face into the district in August, 1988. Plateau currently has completed the initial ventilation work and clean-up to enter the U-North District. Initial mining will be to develop the mains for access, ventilation, and conveyance entries required to recover coal from a district. This work is accomplished by continuous miners. By September 1, 1987, the initial development of main entries must be complete and the two sets of entries that form the gateroads on either side of the longwall initiated. The continued operation of the mine is extremely sensitive to the proper sequencing of longwall recovery to continuous miner development and the allocation of all units plus manpower to contractual obligations. An unbalance created through a delay in development by continuous miners will precipitate a loss in production with idled manpower and equipment, for an extended period into the future.

Work Incidental to Request:

By approval of the "Incidental Boundary Change", the Division of Oil, Gas and Mining will permit Plateau to conduct the critical first portion of the 9,970 feet of continuous miner development. The development will be in the Wattis (top) Seam of the U-North District, Map 2, and within the existing permit area. Two entries will be driven east from 1st Main South of SL031286 within the existing permit area. Three entries will be driven east from 1st Main South in the zone of the "Incidental Boundary Change" to a position about 800 feet east of the existing north-south permit boundary. This development will form a system of five parallel entries which will form the basis to initiate longwall panels, develop mains to the south, and develop bleeders to the north. The details and sequence of this development conform and are required by approved roof control, ventilation, and dust control plans through the Mine Safety and Health Administration, Department of Labor. The development outlined in describing the sequence of driving five entries and crosscuts for 800 feet will require about two months of work and is necessary for Plateau to develop the return air-courses north into the existing permit area. Therefore, approval of this "Incidental Boundary Change" will allow Plateau to perform critical work toward meeting scheduled deadlines and M.S.H.A. requirements while the "Division" is completing the approval process.

Environmental Impacts:

The proposed development incidental to the "Change" will result in no impacts to the environment as:

- a) The regional water table is below the zone of mining;
- b) No additional surface disturbance is required;
- c) First mining is taking place, limited recovery, no subsidence will occur as a result of requested "Change".
- d) The circumstances described in UMC 788.12(d) are not involved.

Applicable Rules:

Cyprus Plateau Mining Company submits this request for an "Incidental Boundary Change" in concurrence with Rules UMC 700.5, UMC 771.21, and UMC 788.12. The proposed acreage coincides with the definition of an "Incidental Boundary Change". The request does not involve any of the changes described in sub-paragraph (d) of UMC 788.12, Permit Changes, therefore, the request may be received as a "Permit Amendment" and not characterized as a "Significant Permit Revision".

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Mining activities upon approval of this request will be conducted coincident with the activities proposed in the "Mine Plan Renewal" and Permit Application - "New Lands". This request does not represent a deviation from previously established direction of mining activities or environmental management. The addressing of Rules UMC 782-784 and UMC 785 has been submitted to the Division of Oil, Gas and Mining under the titles "Permit Renewal" and Permit Application - "New Lands"; one (1) copy of these sections from the "Permit Renewal" with the "New Lands" changes and Plateau's responses to "Division" comments are included herein to expedite the review process. These documents are currently pending final approval by the "Division".

Sincerely,

PLATEAU MINING COMPANY



Robert G. Lauman
Manager of Technical Services



John J. Spiecha
Vice President and General Manager

RGL/kam

Attachments

cc: Ken May, with UMC 782-785
Lowell Braxton, w/out attachments

File: ENV 2-5-2-11

PLATEAU'S DEVELOPMENT SCHEDULING

<u>LOCATION</u>	<u>LW FOOTAGE (FT.)</u>	<u>LW TONS</u>	<u>LW MINING(3) INITIATED</u>	<u>LW(3) COMPLETED</u>	<u>REQUIRED(4) DEVELOPMENT STARTED</u>	<u>DEVELOPMENT FOOTAGE (FT.)</u>
WATTIS SEAM	7,870	1,177,000		AUG. 1988		
U-NORTH WATTIS	13,590	2,174,000	AUG. 1988	NOV. 1990	JULY 1987	9,970* 33,680(1)
U-NORTH 3RD BED	7,050	1,094,000	NOV. 1990	JAN. 1992	MAR. 1990	10,750* 16,250(2)
GRABEN CROSSING					JAN. 1989 (2 YRS.)	3 ENTRY @ 2500'/ENTRY = 7500'
U-13097			JAN. 1992		AUG. 1990	

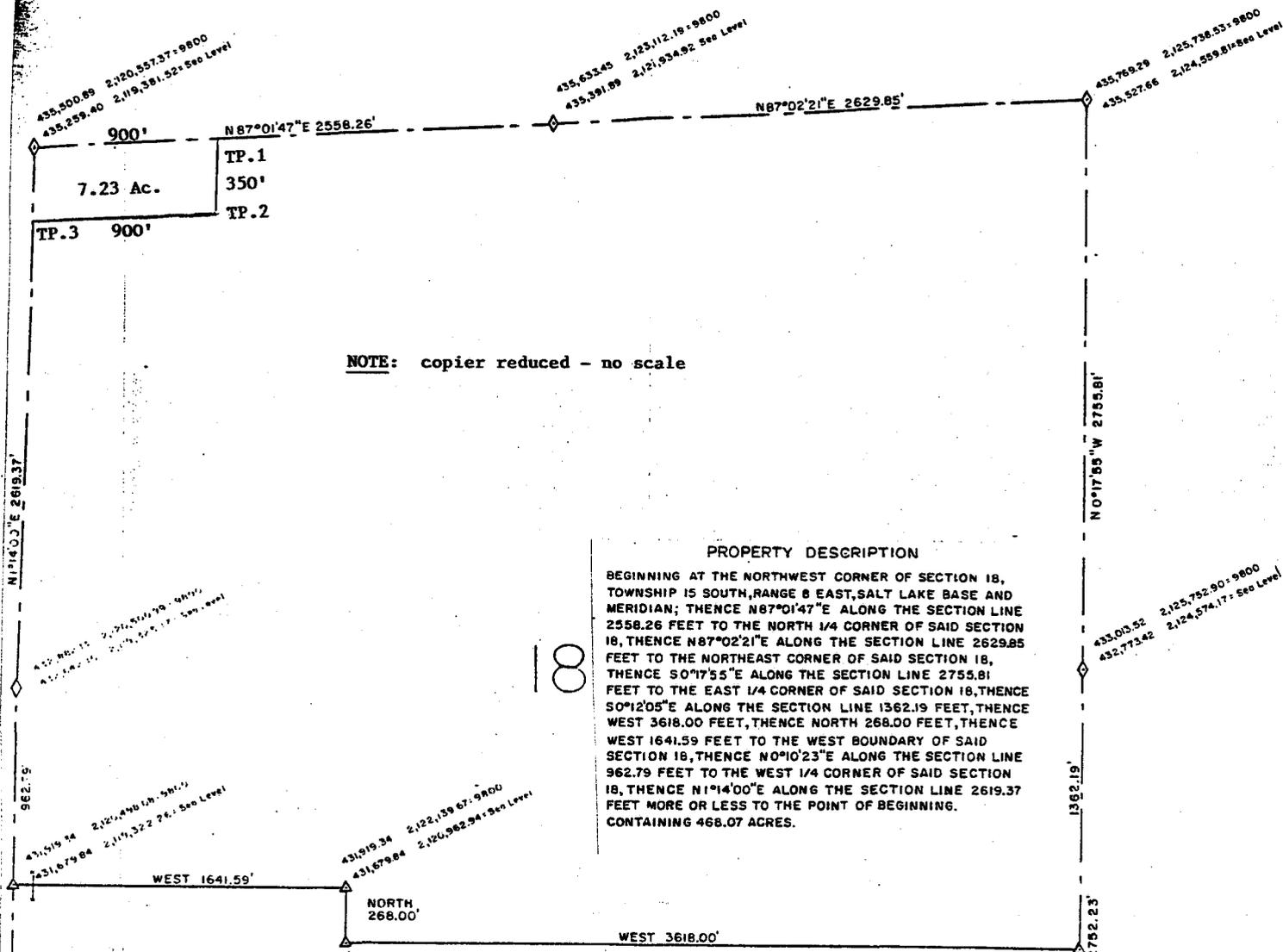
- * REQUIRED PRIOR TO INITIAL LW MINING
- (1) 4350' - DEVELOPMENT OF MAINS
 - (2) 1650' - DEVELOPMENT OF MAINS
 - (3) LW SEQUENCING BASED ON 4125 TPD
 - (4) CM DEVELOPMENT SEQUENCING BASED ON THE FOLLOWING:
 - (A) 2-ENTRY GATEROAD - 450 TPS/800 TPD
 - (B) 3-ENTRY GATEROAD - 600 TPS/1100 TPD
 - (C) 5-ENTRY MAINS - 650 TPS/1200 TPD

EXHIBIT I

<u>From:</u>	<u>North</u>	<u>East</u>	<u>To:</u>	<u>Direction</u>	<u>Bearing</u>	<u>North</u>	<u>East</u>
NW Corner Sec. 18, T15S, R8E	435,259.40	2,119,381.52	TP#1	900' East	N87°01'47"E	435,306.04	2,120,280.31
TP#1	435,306.04	2,120,280.31	TP#2	350' South	S1°14'00"W	434,956.12	2,120,272.78
TP#2	434,956.12	2,120,272.78	TP#3	900' West	S87°01'47"W	434,909.48	2,119,373.99
TP#3	434,909.48	2,119,373.99	NW Corner Sec. 18, T15S, R8E	350' North	N1°14'00"E	435,259.40	2,119,381.52

* See Attached Sketch

EXHIBIT II



SL-031286
REFER
TO MAP 2

LW 1 Wattis Seam

LW 7 Middle Seam

LW 2 Wattis Seam

LW 8 Middle Seam

LW 3 Wattis Seam

Room And Pillar
Both Seams

LW 4 Wattis Seam

LW 5 Wattis Seam

LW 6 Wattis Seam

Proposed Mining Layout

COW POINT
9859.48

F-76-10
9851.0

Golden Eagle Nests

No.21

No.20

Alternate Ne

Site No.22

NORTH

Scale - 1" = 1000'

U-NORTH ACCESS
WATTIS SEAM
PROPOSED MINING LAYOUT
MAP 1

STAR

POINT

