

MINING PLAN DECISION DOCUMENT

Cyprus Plateau Mining Corporation

Star Point Mine

Federal Lease UTU-64263

Carbon and Emery Counties, Utah



**U.S. Department of the Interior
Office of Surface Mining Reclamation and Enforcement**

Prepared January 1995

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Federal Lease UTU-64263
Mining Plan Decision Document

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United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement

Washington, D.C. 20240

FEB - 1 1995

MEMORANDUM

TO: Assistant Secretary, Land and Minerals Management

FROM: Robert J. Uram **Signed**
Director, Office of Surface Mining Reclamation and Enforcement

SUBJECT: Recommendation for Approval of the Cyprus Plateau Mining Corporation's Star Point Mine Mining Plan Modification for Federal Lease UTU-64263, Carbon and Emery Counties, Utah

I recommend approval of the Cyprus Plateau Mining Corporation's Star Point Mine mining plan modification for Federal lease UTU-64263 pursuant to the Mineral Leasing Act of 1920, as amended. This mining plan modification supplements the Star Point mining plan for Federal lease UTU-64263, approved on November 8, 1991 and modified on April 27, 1993 and January 11, 1994. My recommendation to approve the Star Point Mine mining plan modification is based on: (1) Cyprus Plateau Mining Corporation's complete permit application package (PAP), (2) compliance with the National Environmental Policy Act of 1969, (3) documentation assuring compliance with applicable requirements of other Federal laws, regulations, and executive orders, (4) comments and recommendations or concurrence of other Federal agencies, and the public, (5) the findings and recommendations of the Bureau of Land Management with respect to the resource recovery and protection plan and other requirements of the Federal lease and the Mineral Leasing Act, and (6) the findings and recommendations of the Utah Division of Oil, Gas and Mining with respect to the PAP and the Utah State program.

The Secretary may approve a mining plan for Federal leases under 30 U.S.C. §§ 207(c) and 1273(c). Pursuant to 30 CFR Chapter VII, Subchapter D, I find that the proposed mining plan will be in compliance with all applicable laws and regulations. The decision document for the proposed mining plan action is attached.

Attachment

bcc: OSM Record;OSM Reading(2);CIMS;Dir;DD;AD/RRP;DRP;BFIP Reading;ASLMM(2)
OSM:BFIP:RWIETZ;rtw;WSC: Holbrook;208-2564;02/09/95;0194L



United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

JAN 27 1995

MEMORANDUM

TO: Director

THROUGH: Deputy Director

FROM: Acting Assistant Director, Western Support Center

SUBJECT: Recommendation for Approval of the Cyprus Plateau Mining Corporation's Star Point Mine Mining Plan Modification for Federal Lease UTU-64263, Carbon and Emery Counties, Utah

I. Recommendation

I recommend approval of the Star Point Mine mining plan modification for Federal lease UTU-64263. This is a mining plan modification for a underground coal mine being permitted under the Federal lands program and the approved Utah State program and cooperative agreement. My recommendation to approve the Star Point Mine mining plan modification is based on: (1) Cyprus Plateau Mining Corporation's (CPMC) complete permit application package (PAP), (2) compliance with the National Environmental Policy Act of 1969, (3) documentation assuring compliance with applicable requirements of other Federal laws, regulations, and executive orders, (4) comments and recommendations or concurrence of other Federal agencies, and the public, (5) the findings and recommendations of the Bureau of Land Management with respect to the resource recovery and protection plan and other requirements of the Federal lease and the Mineral Leasing Act, and (6) the findings and recommendations of the Utah Division of Oil, Gas and Mining with respect to the PAP and the Utah State program.

Approval of this modification will authorize mining of approximately 14.5 million additional tons of Federal coal within the approved mining plan area covering 2100 acres within Federal lease UTU-64263, as shown on the maps included with this decision document. The review of the PAP indicated that CPMC's proposal would not require special conditions to be included in the mining plan approval document to comply with Federal law.

Utah Division of Oil, Gas and Mining (DOGGM) reviewed the PAP under the Utah State program, the Federal lands program (30 CFR Chapter VII, Subchapter D), and the Utah cooperative agreement (30 CFR § 944.30). Pursuant to the Utah State program and the cooperative agreement, Utah DOGM approved the permit revision on January 6, 1995.

The Office of Surface Mining Reclamation and Enforcement (OSM) has consulted with other Federal agencies for compliance with the requirements of applicable Federal laws, and their comments and concurrences are included in the decision document. The resource recovery and protection plan was reviewed by the Bureau of Land Management (BLM) for compliance with the Mineral Leasing Act of 1920, as amended, and 43 CFR Part 3480, and BLM recommended approval of the mining plan modification in a memorandum dated September 19, 1991. The U.S. Fish and Wildlife Service provided its final consultation comments under Section 7 of the Endangered Species Act in a memorandum dated February 1, 1994. The State Historic Preservation Officer concurred with Utah DOGM's assessment and recommendations for protection of cultural resources in a letter dated January 27, 1994. The Manti-La Sal National Forest concurred with the proposed mining plan action in a letter dated January 6, 1995.

I have determined that the proposed area of mining plan approval is not unsuitable for mining in accordance with section 522(b) of SMCRA.

The permit revision area is located on Federal lands within the boundaries of the Manti-La Sal National Forest. However, based on OSM's analysis and on the concurrence of the USDA Forest Service, the surface operations and impacts of the Star Point Mine are incident to an underground coal mine and will not be incompatible with significant recreational, timber, economic, or other values of the Manti-La Sal National Forest.

OSM has determined that approval of this mining plan modification will not have a significant impact on the quality of the human environment. The impacts of approval of this mining plan modification and alternatives are described in the environmental assessment attached to the Finding of No Significant Impact (FONSI) included with the decision document.

The mining plan approval document included in the decision document is in conformance with the Mineral Leasing Act of 1920, as amended, and applicable Federal regulations. I recommend that you advise the Assistant Secretary, Land and Minerals Management, under 30 CFR Part 746, that the CPMC's Star Point Mine mining plan modification for Federal lease UTU-64263 is ready for approval.

II. Background

The Star Point underground coal mine is located in Carbon and Emery Counties, Utah, 10 miles west of Price. The mine has been in operation since 1967. About 173 acres have been affected by surface disturbance to date. The total permitted area of the Star Point Mine contains about 9060 acres. Mining is expected to continue for 15 years under Utah Permit No. ACT/007/006 and the approved mining plan modification.

The original mining plan for the Star Point Mine was approved under the Federal lands program on January 21, 1982, for Federal leases U-13097, SL-031286, U-7949, and U-37045. The Star Point Mine mining plan for Federal lease UTU-64263 was initially approved on November 8, 1991. Since that approval there have been two mining plan modifications for Federal lease UTU-64263 that were approved on April 27, 1993 and January 11, 1994. Approval of this modification will increase the number of acres in the approved mining plan to about 6950 acres.

The underground mining operations utilize longwall mining methods. The Wattis coal seams will be mined at an average production rate of about 3 million tons per year. The proposed mining plan would cause no new surface disturbance in the mining plan area except mining-induced subsidence above the underground workings.

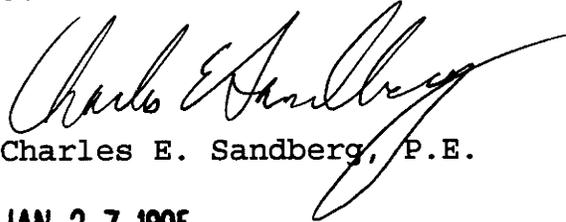
A chronology of events related to the processing of the PAP is included with the decision document. The information in the PAP, as well as other information identified in the decision document, has been reviewed by Utah DOGM staff in coordination with the OSM Project Leader.

During the review of the PAP, no major issues were identified.

The public was notified of the availability of the PAP for review by publication of newspaper notices for four consecutive weeks, with a last publication date of March 25, 1993. After the public notice was published, the Castle Valley Special Service District and the Huntington-Cleveland Irrigation Company objected to the proposed operations because they were concerned about protection of their water supplies. Both organizations withdrew their protests after CPMC entered into mitigation agreements with the organizations.

Utah DOGM determined that a bond in the amount of \$5,180,000 is adequate for the Utah Permit No. ACT/007/006 associated with this mining plan action. The bond is payable to the State and the United States.

The PAP submitted by CPMC and updated through November 28, 1994, Utah DOGM's Decision Package provided to OSM under the cooperative agreement, the environmental assessment and FONSI of the proposed action and alternatives, other documents prepared by Utah DOGM, and correspondence developed during the review of the PAP are part of OSM's administrative record.



Charles E. Sandberg, P.E.

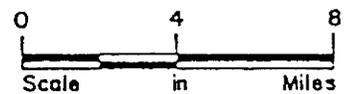
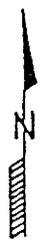
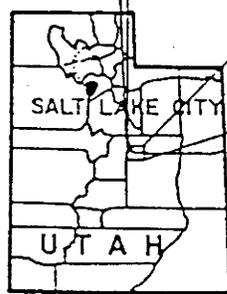
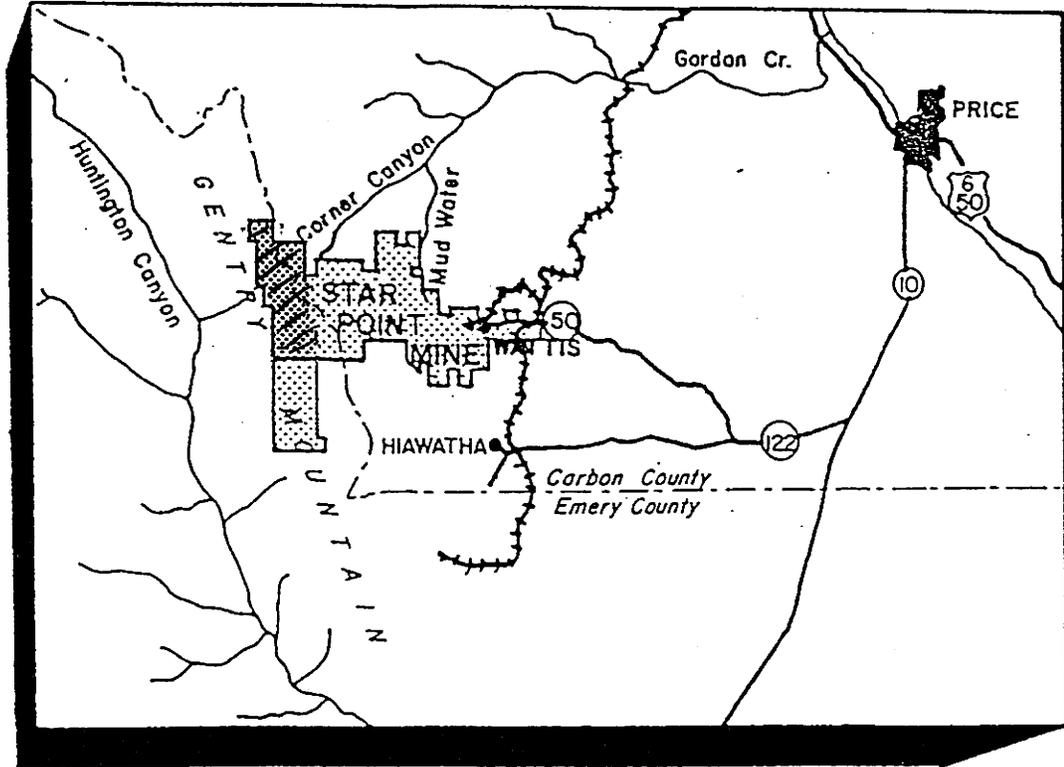
JAN 27 1995

Date

Attachments



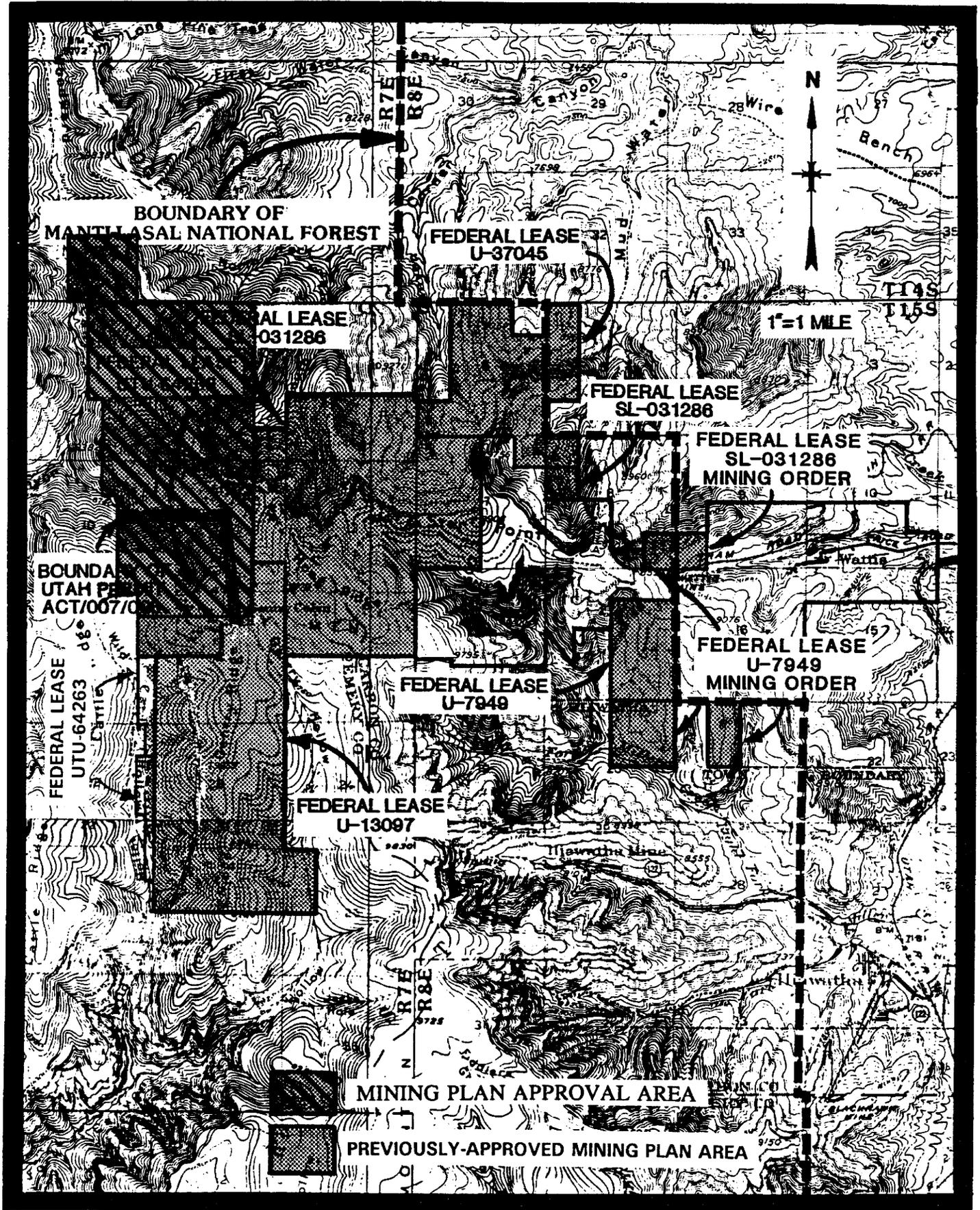
Proposed Castle Valley Ridge Lease



(ENLARGED VIEW)

LOCATION MAP

PLATEAU MINING COMPANY
CARBON & EMERY COS., UTAH



**MINING PLAN APPROVAL AREA - STAR POINT MINE
CARBON AND EMERY COUNTIES, UTAH**

CHRONOLOGY
Star Point Mine
Federal Lease UTU-64263
Mining Plan Decision Document

<u>DATE</u>	<u>EVENT</u>
September 17, 1991	Cyprus Plateau Mining Corporation (CPMC) submitted the permit application package (PAP) under the approved Utah State Program to the Utah Division of Oil, Gas and Mining (DOGM) for a permit revision for the Star Point Mine.
September 18, 1991	The Office of Surface Mining Reclamation and Enforcement (OSM) received the PAP.
September 19, 1991	The Bureau of Land Management provided its findings and recommendations on the approval of the mining plan.
March 1, 1993	Utah DOGM determined that the PAP was administratively complete for public review and comment.
March 25, 1993	CPMC published in the Price Sun Advocate the fourth consecutive weekly notice that its complete PAP was filed with Utah DOGM.
January 27, 1994	The State Historic Preservation Office provided its comments on the mining plan.
February 1, 1994	The U.S. Fish and Wildlife Service provided its final consultation comments on the mining plan.
January 6, 1995	The Federal land management agency provided its final concurrence with the approval of the mining plan.
January 6, 1995	Utah DOGM approved the PAP.
January 13, 1995	OSM received Utah DOGM's final Decision Package.
January 1995	OSM's Western Support Center recommended that the mining plan modification be approved.

U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT
FINDING OF NO SIGNIFICANT IMPACT
Star Point Mine, Federal Lease UTU-64263
Mining Plan Decision Document

A. Introduction

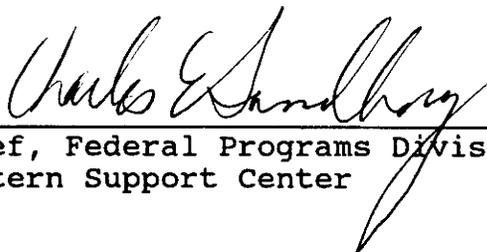
Cyprus Plateau Mining Corporation submitted a permit application package (PAP) for a permit revision for the Star Point Mine to the Utah Division of Oil, Gas and Mining (DOGM) under the Utah State program (30 CFR Part 944). The PAP proposes extending underground mining operations in the 2100-acre Federal lease UTU-64263. The proposed mining plan would cause no surface disturbance except mining-induced subsidence above the underground workings.

Under the Mineral Leasing Act of 1920, the Assistant Secretary, Land and Minerals Management, must approve, approve with conditions, or disapprove the mining plan modification for Federal lease UTU-64263. Pursuant to 30 CFR Part 746, the Office of Surface Mining Reclamation and Enforcement (OSM) is recommending approval of this mining plan modification.

B. Statement of Environmental Significance of the Proposed Action

The undersigned person has determined that the above-named proposed action would not have a significant impact on the quality of the human environment under section 102(2)(C) of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. §§ 4332(2)(C), and therefore, an environmental impact statement is not required.

This finding of no significant impact is based on the attached environmental assessment (EA) jointly prepared by the Manti-La Sal National Forest and the Bureau of Land Management in 1989. The EA addresses the environmental impacts resulting from the issuance of Federal lease UTU-64263 and approval of the mining plan. OSM independently evaluated the EA as of the date specified below and determined that it adequately and accurately assesses the environmental impacts of the proposed action and provides sufficient evidence and analysis for this finding of no significant impact. OSM takes full responsibility for the accuracy, scope, and content of the attached EA.



Chief, Federal Programs Division
Western Support Center

1-27-95

Date

COMBINED BUREAU OF LAND MANAGEMENT/FOREST SERVICE
FINDING OF NO SIGNIFICANT IMPACT/DECISION NOTICE/RATIONALE

CYPRUS WESTERN COAL COMPANY
APPLICATION FOR MODIFICATION OF FEDERAL COAL LEASE UTU-64263

USDA FOREST SERVICE
PRICE RANGER DISTRICT, MANTI-LA SAL NATIONAL FOREST
INTERMOUNTAIN REGION
USDI BUREAU OF LAND MANAGEMENT, MOAB DISTRICT
UTAH STATE OFFICE

EMERY COUNTY, UTAH

Cyprus Western Coal Company submitted an application to modify Federal Coal Lease UTU-64263 to the Utah State Office of the Bureau of Land Management (BLM) on January 14, 1991. The proposed lease modification would add 50 acres to the southwest corner of Federal Coal Lease UTU-64263. The maps attached to this document (Attachments 1 and 2) show the location of Federal Coal Lease UTU-64263 and the proposed lease modification area. Lease UTU-64263 and the proposed lease modification lie entirely on lands administered by the Price Ranger District of the Manti-La Sal National Forest with Federal coal administered by the Moab District of the BLM, State of Utah.

The legal description of the proposed modification is as follows:

T. 15 S., R. 7 E., SLM, Emery County, Utah
Sec. 15: E1/2E1/2SE1/4,
Sec. 22: E1/2E1/2NE1/4NE1/4,
Containing 50 acres

Cyprus Western Coal Company is the lessee of record for Federal Coal Lease UTU-64263. Cyprus Plateau Coal Company, a wholly owned subsidiary of Cyprus Western Coal Company, is the operator of the Star Point Mine which would include the proposed modification. The mine surface facilities are on fee surface/fee coal within the boundaries of the Manti-La Sal National Forest, approximately 17 miles southwest of Price, Utah.

The purpose of the lease modification is to incorporate coal reserves which lie between the western boundary of Federal Coal Lease U-13097 and a fault system along the western margin of the Pleasant Valley Fault Zone into Federal Coal Lease UTU-64263 for mining. It would allow Cyprus Plateau Coal Company to mine an additional 81,000 tons of recoverable coal reserves which would otherwise be isolated and bypassed becoming irretrievable. The coal reserves would be mined by extending the existing mine workings in Federal Coal Lease U-13097 to the west into the modification area.

The proposed action is subject to the following authorities: Mineral Leasing Act of 1920 as amended; Federal Coal Leasing Amendments Act of 1976 (FCLAA); Federal Land Policy and Management Act of 1976 (FLPMA); Surface Mining Control and Reclamation Act of 1977 (SMCRA); Multiple-Use Sustained Yield Act of 1960; National Forest Management Act of 1976 (NFMA); National Environmental Policy Act of 1969 (NEPA); and Federal Regulations 43 CFR 3400, Development of the

lease is subject to Federal Regulations 30 CFR 700 to End (SMCRA Regulations) and the State of Utah Coal Mining and Reclamation Regulatory Program. As the surface management agency for the modification, the USDA Forest Service was the lead in conducting the environmental analysis of the proposal in accordance with the National Environmental Policy Act of 1969. The USDI, Bureau of Land Management is the responsible agency for management of Federal coal under the Mineral Leasing Act of 1920, as amended, and has therefore participated in the analysis as a joint agency.

Project scoping was initiated on March 26, 1991. News releases explaining the proposal and requesting comments were published in local newspapers. Letters were sent to identified interested publics, requesting comments, on March 27, 1991. A list of identified interested publics is contained in the project file. Two letters were received. The Southeastern Utah Association of Local Governments responded in support of retrieving the potentially isolated coal. The Utah Division of Wildlife Resources responded that they are concerned about the potential impacts of subsidence on wildlife habitat. Copies of the letters are available for review in the project file.

The ID team reviewed the EA prepared for leasing of Federal Coal Lease UTU-64263 entitled Environmental Assessment, Cyprus-Plateau Mining Corporation Coal Lease Application UTU-64263, Castle Valley Ridge Tract, 1989. The ID team determined that the environmental and human setting is the same and no new issues (not already identified in the referenced EA) were identified during project scoping. The issues discussed in the project scoping response letters are adequately addressed in the EA. It was, therefore, determined that the environmental conditions and affects of the lease modification are adequately addressed in the referenced EA.

The potential for underground coal mining to encounter ground water and impact water quality and quantity was identified in the referenced EA (Section I.D.1., pages 5 and 6). Recent data indicate that mining up to the faults associated with the Pleasant Valley Fault system could intercept large quantities of ground water which could flow into the mine workings and would need to be discharged to the surface. In order to prevent associated impacts, it has been identified that it will be necessary for the lessee/mining operator to drill horizontal holes in the coal seam, in coordination with the authorized officer (BLM), to determine how much water will be encountered during the advance of development workings. If significant water is encountered, it will be necessary for the operator to cease the advancement, in accordance with the authorized officer (BLM), and notify the regulatory authority (Utah Division of Oil, Gas and Mining). At that point in time it will be determined if further advance toward the fault will be approved. The operator will be required to commit to this provision in the Mining and Reclamation Plan before the Forest Service will consent to approval of the permit to mine in the modification area.

The modification area has been determined to be available for further consideration for coal leasing, subject to site-specific analysis, under the Manti-La Sal National Forest Land and Resource Management Plan (LRMP) and Final

Environmental Impact Statement (FEIS). The Coal Lease Unsuitability Criteria (43 CFR 3461) were applied to the original lease and it was determined through the site-specific analysis that the lands were suitable for leasing. Since the modification does not involve any additional concerns or resources not already considered in the unsuitability criteria, it was determined that the modification area is also suitable.

The Bureau of Land Management lease decision and Forest Service consent decision are to modify Federal Coal Lease UTU-64263 as proposed by Cyprus Western Coal Company. This alternative corresponds with Alternative 2, Offer the Tract for Leasing with Application of Management Requirements, discussed in the referenced EA. As discussed in the referenced EA, this decision includes addition of the lease stipulations (Attachment 3). This alternative best meets the management objectives of the Bureau of Land Management and Forest Service as outlined in the LRMP and the needs of the general public.

It has been determined by the undersigned officials that the proposal is not a major Federal Action that would significantly affect the quality of the human environment; therefore, an Environmental Impact Statement is not needed. This determination was made based on the following considerations:

1. No significant public issues or conflicts were identified during project scoping, which involved public notices of the proposal and a public comment period.
2. The anticipated adverse effects of the proposal can be effectively mitigated by special lease stipulations and proper implementation of the SMCRA Regulations (30 CFR 700 to End) and the State of Utah Coal Mining and Reclamation Regulatory Program.
3. The leasing action and anticipated lease development should have no adverse affect to cultural or significant paleontological resources, floodplains or Threatened, Endangered or Sensitive plant and animal species. Lease stipulations, the SMCRA Regulations (30 CFR 700 to End) and the State of Utah Mining and Reclamation Regulatory Program provide for adequate protection of such resources.
4. There will be no adverse impacts to prime or unique rangelands, farmlands, or timberlands; alluvial valley floors; or wetlands.
5. The proposed action is consistent with objectives and direction of the Manti-La Sal National Forest Land and Resource Plan, 1986.

The Bureau of Land Management leasing decision is subject to appeal to the Interior Board of Land Appeals. The Forest Service consent decision is subject to administrative review in accordance with Federal Regulations 36 CFR 217 and 36 CFR 251, subpart C, in the case of decisions regarding written instruments authorizing occupancy and use of National Forest System lands. If you qualify under 251, you can elect which process to use for obtaining review of the decision, but in so doing you thereby forfeit all right to appeal the same decision under the other review process. Any appeal of this decision must include the information required by 36 CFR 217.9 or 36 CFR 251.90, "Content of Notice of Appeal," including the reasons for appeal. Two (2) copies of the Notice of Appeal must be filed with the Chief, USDA Forest Service, P.O. Box

96090, Washington DC 20090-6090, within 45 days of the date of publication in the Ogden Standard Examiner for appeals under 36 CFR 217 or within 45 days of the date of this decision for appeals under 36 CFR 251. This decision may be implemented within 7 days after the legal notice of the decision is published in the Ogden Standard Examiner.

Compliance with the terms and conditions of the lease and other administrative actions associated with the lease contained in Federal Regulations 43 CFR 3400 are the responsibility of the Bureau of Land Management. As required under the Federal Coal Leasing Amendments Act of 1976 and the above regulations, actions pursuant to the lease which could affect surface resources require consultation and consent of the Forest Service.

The lease modification will be issued non-competitively in accordance with the procedures set forth in 43 CFR 3432.

Consent by: Robert J. Reynolds
for GRAY F. REYNOLDS, Regional Forester
USDA Forest Service, Intermountain Region
Federal Building
324 25th Street
Ogden, Utah 84401

Date: April 30, 1991

Approved by: James M. Parker
JAMES M. PARKER, Utah State Director
Bureau of Land Management
Utah State Office
324 South State, Suite 301
Salt Lake City, Utah 84111-2303

Date: May 8, 1991

COMB. BUREAU OF LAND MANAGEMENT/FORREST SERVICE

FINDING OF NO SIGNIFICANT IMPACT/DECISION NOTICE/RATIONALE

CYPRUS-PLATEAU MINING CORPORATION COAL LEASE APPLICATION UTU-64263
CASTLE VALLEY RIDGE TRACT, CARBON AND EMERY COUNTIES, UTAH

U.S.D.A. FOREST SERVICE
PRICE RANGER DISTRICT, MANTI-LASAL NATIONAL FOREST
INTERMOUNTAIN REGION

U.S.D.I. BUREAU OF LAND MANAGEMENT, MOAB DISTRICT
UTAH STATE OFFICE

An Environmental Assessment (EA) which discusses the effects of leasing the Castle Valley Ridge Coal Lease Tract is available for public review at the respective offices of the Bureau of Land Management and Forest Service. The decision recorded in this document is based on the cooperative environmental analysis documented in the referenced Environmental Assessment and in the Uinta-Southwestern Utah Coal Region Round Two Final Environmental Impact Statement (EIS), 1983. The EA updates and amends the 1983 EIS for leasing of the Castle Valley Ridge tract. The EIS addresses the cumulative impacts of further coal leasing.

The proposed action is subject to the following authorities: Mineral Leasing Act of 1920, as amended; Federal Coal Leasing Amendments Act of 1976 (FCLAA); Federal Land Policy and Management Act of 1976 (FLPMA); Surface Mining Control and Reclamation Act of 1977 (SMCRA); Multiple-Use Sustained Yield Act of 1960; National Environmental Policy Act of 1969 (NEPA); and Federal Regulations 43 CFR 3400. Development of the lease is subject to these actions, Federal Regulations 30 CFR 700 to End (SMCRA Regulations), and the State of Utah Coal Mining and Reclamation Regulatory Program.

The Bureau of Land Management lease decision and Forest Service consent decision are to offer the tract for competitive lease with standard coal lease stipulations and the special lease stipulations which are included as Appendix C of the EA. This selected alternative was identified in the EA as Alternative 2 - Offer the Tract for Leasing with Application of Management Requirements. This alternative best meets the management objectives of the Bureau of Land Management and Forest Service as outlined in the respective Land Management Plans and the needs of the general public. It provides for logical development of the coal resource within environmental thresholds and will provide economic benefits to the Federal and State Governments and to local governments and communities.

It has been determined by the undersigned officials that the proposal is not a major Federal action that would significantly affect the quality of the human environment; therefore, an Environmental Impact Statement is not needed. This determination was made based on the following considerations:

1. No public issues beyond management concerns were identified during project scoping, which involved public notices of the proposal and a public comment period, nor during the public meeting held in Price, Utah on June 15, 1989.

2. The anticipated adverse effects of the proposed action can be effectively mitigated by special lease stipulations and proper implementation of the SMCRA Regulations (30 CFR 700 to End) and the State of Utah Coal Mining and Reclamation Regulatory Program.
3. The leasing action and anticipated lease development should have no significant adverse effect to cultural or paleontological resources, floodplains, or Threatened, Endangered or Sensitive plant and animal species. Lease stipulations, the SMCRA Regulations (30 CFR 700 to End) and the State of Utah Mining and Reclamation Regulatory Program provide for adequate protection of such resources.
4. There will be no adverse impacts to prime or unique rangelands, farmlands, timberlands, alluvial valley floors, or wetlands.
5. The proposed action is consistent with objectives and direction of the Manti-LaSal National Forest Land and Resource Management Plan, 1986.

The Forest Service consent decision is subject to appeal in accordance with Secretary of Agriculture Appeal Regulations 36 CFR 217. A written notice of appeal must be filed with F. Dale Robertson, P.O. Box 96090 Attention: Room 42115, Washington, D.C. 20090-6090 within 45 days of the date of this decision with a copy simultaneously sent to J. S. Tixier, 324 25th Street, Ogden, Utah 84401. This notice of appeal must also include the information described in 36 CFR 217.9.

Compliance with the terms and conditions of the lease and other administrative actions associated with the lease contained in Federal Regulations 43 CFR 3400 are the responsibility of the Bureau of Land Management. The review, approval and enforcement of mining operations within the lease is the responsibility of the Department of Interior, Office of Surface Mining Reclamation and Enforcement under Federal Regulations 30 CFR 700 to End. As required under the Federal Coal Leasing Amendments Act of 1976 and the above regulations, actions pursuant to the lease which could affect surface resources require consultation and consent of the Forest Service.

The lease shall be offered under the procedures set forth for competitive coal lease sales in 43 CFR 3422.

Consent by:

J. S. Tixier
for J. S. TIXIER, Regional Forester

U.S.D.A. Forest Service, Intermountain Region

Date: 7/6/89

Approved by:

James M. Parker

JAMES M. PARKER, Utah State Director
U.S.D.I. Bureau of Land Management

Date: 7/13/89

ENVIRONMENTAL ASSESSMENT

CYPRUS-PLATEAU MINING CORPORATION COAL LEASE APPLICATION UTU-64263
CASTLE VALLEY RIDGE TRACT
1989

USDA, FOREST SERVICE, MANTI-LASAL NATIONAL FOREST
USDI, BUREAU OF LAND MANAGEMENT, MOAB DISTRICT
CARBON AND EMERY COUNTIES, UTAH

Responsible Officials:

J.S. Tixier, Regional Forester
USDA, Forest Service
Intermountain Region
Federal Building
324 25th Street
Ogden, Utah 84401

James M. Parker, State Director
USDI, Bureau of Land Management
Utah State Office
324 South State, Suite 301
Salt Lake City, Utah 84111-2303

For Further Information Contact:

George A. Morris, Forest Supervisor
USDA - Forest Service
Manti-LaSal National Forest
599 West Price River Dr.
Price, Utah 84501

Gene Nodine, District Manager
USDI, Bureau of Land Management
Moab District
P.O. Box 970
Moab, Utah 84532

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I. INTRODUCTION

A. Purpose and Need for Action

On July 7, 1988, Cyprus-Plateau Mining Corporation submitted Coal Lease Application UTU-64263 to the Bureau of Land Management (BLM), Utah State Office. Cyprus-Plateau has indicated a need for the coal in their application to acquire a much needed recoverable reserve base; to be more competitive in marketing coal; to extend mine life so as to more favorably amortize the cost of equipment, portal facilities, and underground development; reduce production costs;..."and to maintain 42 additional employees for 17 years..."

Pursuant to 43 CFR 3425.3 an environmental assessment (EA) must be prepared in order for the BLM, who has jurisdiction over the coal resources, to process the application. The proposed lease tract, known as the Castle Valley Ridge (CVR) Tract, encompasses Federal lands within the Manti-LaSal National Forest, Price Ranger District. Since this proposed tract contains Federal minerals administered by the BLM and lands administered by the Forest Service (FS), an environmental analysis was conducted jointly between the two agencies. This EA will evaluate the proposed tract pursuant to the National Environmental Policy Act process and Coal Lease Unsuitability Criteria (43 CFR 3461) and will develop management requirements needed to mitigate impacts.

B. Authorizing Actions

This coal lease application was submitted and will be processed and evaluated under the following authorities: Minerals Leasing Act of 1920, as amended; National Environmental Policy Act of 1969 (NEPA); Multiple-Use Sustained Yield Act of 1960; Federal Land Policy and Management Act (FLPMA) of 1976; National Forest Management Act (NFMA) of 1976; Federal Coal Leasing Amendments Act (FCLAA) of 1976, as amended; Surface Mining Control and Reclamation Act (SMCRA) of 1977; Federal Regulations 43 CFR 3400 and the Manti-LaSal National Forest Land and Resource Management Plan (Forest Plan) and Final Environmental Impact Statement (FEIS) of 1986.

The lease application will be processed under the procedures set forth under Federal regulations 43 CFR 3425, Leasing on Application.

C. History, Tract Delineation and Potential Mining Scenario

The current lands defined in the tract being evaluated were originally nominated by Plateau Mining Company (PMC) as "Tract No. 20" under the old Energy Minerals Allocation Recommendation System (EMARS) lease sale procedure. Additional acreage was added and in 1981, Getty Mining Company, who then owned PMC, proposed the Castle Valley Ridge Tract under a Call for Expression of Interest for the Round Two Coal-System Leasing Effort of the Uinta-Southwestern Utah Coal Region. The tract was evaluated in the Forest Service 1980 Situation

Statement, a Site Specific Analysis approved in 1982 and in the Uinta-Southwestern Utah Coal Region Round Two Final Environmental Impact Statement which was completed on October 7, 1983. The Round Two leasing effort evaluated 27 tracts in Utah and Colorado. The CVR Tract was one of 22 tracts recommended for competitive leasing under the preferred alternative (Alternative Two, High Level). Due to a re-evaluation and major changes in the Federal coal management program in 1984, the CVR tract was not offered for leasing.

In January of 1988, the Uinta-Southwestern Utah Coal Region was decertified and as a result, new coal leasing within the Region will be conducted under the Lease on Application Process set forth in Federal Regulations 43 CFR 3425. Coal Lease Application UTU-64263 was the second application submitted in the Region under this process since decertification of the Region.

Cyprus-Plateau Mining Corporation's (CPMC) 1988 application covered only the southern half of the CVR Tract evaluated in 1982. The Tract Delineation Team, consisting of personnel from the BLM and FS, evaluated the tract configuration as submitted in CPMC's 1988 application. Based on the uncertainty of existing geologic data, the team recommended in its Tract Delineation Review Report of February 1, 1989, that an additional 161.63 acres be added to UTU-64263 pursuant to 43 CFR 3425.1-9 (see Appendix A for report).

The tract under application as modified is legally described as:

T. 14 S., R. 7 E., SLM, Utah
Sec. 34, lots 3 and 4, N2SE4;

161.63 acres.

T. 15 S., R. 7 E., SLM, Utah
Sec. 2, lots 2-7, and 10-12, SW4, W2SE4;
Sec. 3, lots 1, 2, and 7-10, E2SE4, E2W2SE4;
Sec. 10, E2E2, E2NW4NE4;
Sec. 11, W2, W2E2;
Sec. 14, NW4, NW4NE4;
Sec. 15, E2E2NE4;

1,825.83 acres.

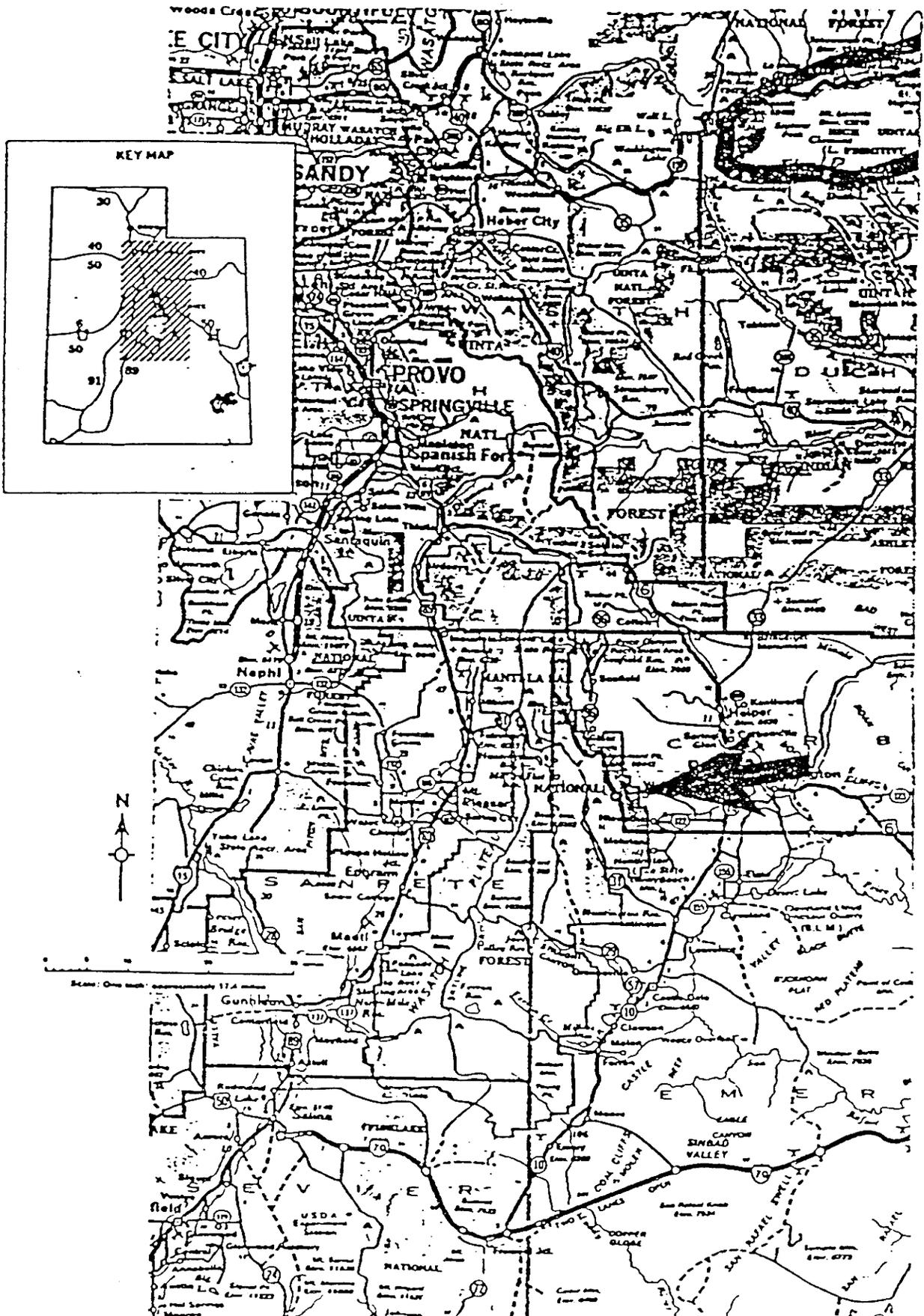
Total Acreage: 1,987.46 acres
Carbon and Emery Counties, Utah

For general location, please refer to Maps 1 and 2.

Pursuant to the Manti-LaSal National Forest Land and Resource Management Plan and Final Environmental Impact Statement (Forest Plan and FEIS), an initial analysis was conducted and it was determined that the tract is suitable for further consideration for coal leasing, subject to site-specific analysis and application of the coal lease unsuitability criteria.

GENERAL LOCATION OF PROJECT

UTU-64265



MAP 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



R7E R8E

STATE OF UTAH
UTAH GEOLOGICAL AND MINERAL SURVEY

WATTS QUADRANGLE 4
UTAH
15 MINUTE SERIES (TOPOGRAPHIC)

CASTLE
VALLEY
RIDGE
TRACT

COAL LEASE
APPLICATION

UTU-64263

T14
T15S

U-13097

U-303286

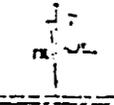
U-31045

CPMC
FEDERAL
COAL LEASES

STAR
POINT
MINE

NE

Scale and other technical details.



Scale 1:25000



Legend and other technical details.

It was also determined on 3/21/89, by the Forest Service, that there is sufficient information available to generally meet the Data Adequacy Standards for Federal Coal leasing adopted by the Uinta-Southwestern Utah Regional Coal Team and that it is consistent with the Manti-LaSal National Forest Land and Resource Management Plan.

The above information was provided to the Regional Coal Team and it was decided to proceed with further evaluation of the proposed tract as modified for leasing.

The Coal Lease Unsuitability Criteria (43 CFR 3461) have been applied to the tract and have been evaluated on a site-specific basis; no areas within the tract have been determined to be unsuitable for leasing.

The only existing coal lease holdings adjoining the tract include the applicant's leases in the Star Point Mine permit area which lies to the south and east of the tract. The Tract Delineation Team has determined that due to geologic conditions, the tract has potential economic access only from the existing mine workings in the applicant's leases to the south.

D. Public Issues, Management Concerns and Opportunities

General public comments were solicited by a news release, while specific public comments were solicited by letter dated 3/29/89 (see Public Involvement in Appendix B). Comments were received from the Utah Division of Wildlife Resources (DWR) and the Office of Surface Mining Reclamation and Enforcement (OSMRE). OSMRE has expressed a desire to participate in the NEPA process for the proposed tract. Their scoping comments, review of the final EA and participation in the upcoming public meeting have been invited. The issues addressed by the DWR have also been identified by the I.D. Team and will be discussed as management concerns. DWR's and OSMRE's letters are included in Appendix B. Comments on the unsuitability criteria were also solicited from the Utah Division of State History and the U.S. Fish and Wildlife Service regarding Cultural Resources and Threatened and Endangered floral and faunal species respectively. Comments have been received from the Utah Division of State History (see Appendix B) and they have essentially identified no problems with leasing at this time and that any consultation for Section 106 purposes will be conducted at the time that future surface disturbing activities are proposed and fully surveyed for cultural resources. Although comments have been solicited from U.S. Fish and Wildlife Service (See Appendix B), no comments have been received to date.

1. Public Issues and Management Concerns

Underground mining and mining induced subsidence could result in changes to ground water and surface water flow on and adjacent to the undermined area. This could result in the alteration of soil moisture, vegetation and wildlife habitat on the surface, above and adjacent to the mined area. In addition, mining operations

could affect water quality of ground water in aquifers which lie within and below the mine workings. Operations could also affect water quality in drainages downstream of the facilities. The DWR and Forest Service are concerned that subsidence could decrease the flow or dry up springs which are used by wildlife for watering.

2. Opportunities

a. Leasing and production of coal reserves from the tract would result in increased rent and royalties paid to the Federal Government and will supplement State and Local Government revenues.

b. The coal reserves in the tract would be mined and made available for energy production and industrial use.

c. If the tract is mined through the existing Star Point Mine, the life of the mine would be extended approximately 5 years at their current rate of production by providing additional coal reserves.

E. Negative Declaration

The ID Team determined that this action, after mitigation, would cause no significant impacts on the following: prime or unique rangelands, wetlands, timberlands, or farmlands; floodplains; known cultural or paleontological resources; alluvial valley floors; known Threatened, Endangered, or Sensitive plant or animal species.

The Coal Lease Unsuitability Criteria (Federal Regulations 43 CFR 3461) have been applied on a site-specific basis and no areas within the tract have been determined to be unsuitable for leasing.

II. ALTERNATIVES

A. Alternative One - No Action

Consideration of the "No Action" alternative is required by Federal regulations contained at 43 CFR 1502.14(d). If the course of this alternative were adopted, this tract would be eliminated from further leasing consideration and the application would be denied. The coal resource would not be developed and the site-specific environment of the subject area would in no way be affected.

B. Alternative Two - Offer the Tract for Leasing with Application of Management Requirements

Under this alternative, the tract would be offered for competitive leasing subject to standard and special lease stipulations. The

boundaries of the tract would remain unchanged from the configuration submitted in CPMC's applications as modified by the Tract Delineation Review Report which lie totally within the tract boundary as identified and evaluated in the Round Two leasing effort.

The required mitigations which are attached as Appendix C will be included in the lease as special stipulations in addition to standard BLM lease stipulations. They are consistent with the Forest Plan and require necessary special measures for protection of and/or coordination with the affected resources and mitigation of impacts.

III. AFFECTED/EXISTING ENVIRONMENT

The affected environment of the subject area has been generally described in numerous environmental documents and resource reports prepared for coal leasing, exploration and development in this and surrounding areas. These documents are listed for reference in Section VI, Selected Tiering and Reference Documents. There are several resources on the lease for which concerns were identified. These resources are essentially unique to the proposal and are evaluated in this document.

A. Topography/Physiography/Geology

The Wasatch Plateau lies within the Basin and Range-Colorado Plateau Transition Physiographic Province. The east flank rises almost 3,000 feet above Castle Valley. The upper 1,500 to 2,000 feet of this rise is a near vertical erosional escarpment or cliff. The sedimentary rock layers dip gently to the northwest throughout the central and eastern portions of the plateau. The plateau top is dissected by north-south trending fault zones which form north-south trending ridges and canyons.

Along the west flank of the plateau, the rock layers bend downward, dipping steeply to the west, and form the west flank. The west flank slope is controlled by the dip of the rock layers and is not as steep and abrupt as the east flank. This monoclinical fold of the rock layers is known as the Wasatch Monocline. Both the east and west flanks are deeply incised by east-west trending drainages and their canyons. North-south trending normal faults and extensive fault zones are common.

The tract area is located within the east-central portion of the Wasatch Plateau. Elevations range from approximately 8,800 to 10,100 feet above mean sea level. The southern portion of the lease is situated along the flat-lying northern portion of Gentry Mountain and is separated from the narrow, north-south trending Castle Valley Ridge to the north by a drop in elevation near mid-tract known as The Steps. More than half of the tract has slopes that exceed 50%.

Rock formations exposed on the tract, in ascending order, are Mancos Shale, Blackhawk Formation, Price River Formation and North Horn Formation. These formations range in age from Cretaceous to Tertiary.

The coal seams of interest on the tract occur within the lower 150 feet of the Blackhawk Formation. There are numerous coal seams within the Blackhawk; however, only three coal seams (Wattis, Third, and Hiawatha) are continuous across the tract and obtain a thickness of four feet or greater. Of these three seams, only the Wattis is known to be minable. It may be possible to recover a small portion of the Third bed; however, this will have to be determined at a later time.

Outcrops of coal occur along the west edge of the tract which is the east side of Nuck Woodward Canyon and the head of Little Nuck Canyon, the northeast end of the tract at the head of North Fork of Corner Canyon and the east side of the tract at the head of South Fork of Corner Canyon. A 500-foot burn zone was used around all outcrops. Two major faults adjacent to the tract's east and west boundaries are constraints to mining. The strata on the tract dips approximately 3 degrees to the south-southwest. The overburden thins to the north of the tract. The apparent rank is high-volatile B bituminous coal. The preliminary recoverable reserve base for the Wattis seam is estimated by BLM to be 7,730,000 tons.

The tract has limited access based on faulting and economic value due to the relatively small amount of reserves present; therefore, only one mining scenario is considered practical. Access will be from CPMC's underground workings planned for U-13097 which lie within the Star Point Mine permit area adjacent to the southern and eastern boundaries of the tract. No additional surface facilities other than the possibility of ventilation breakouts should be needed since the Star Point #2 Mine facility will handle the additional tonnage that would be produced.

B. Hydrology and Climate

Annual precipitation from an area of comparable aspect, elevation and dominant vegetation was found to be 28 inches. A station summary of 12 years of record, illustrated that only 2.93 inches, or 10.4 percent, of the total average precipitation falls during the July through August growing season (Straight Canyon Barometer Watershed). Rainfall during the summer months often occurs in the form of intense thunderstorms. The nature of these storms can generate substantial surface runoff, possibly creating a significant increase in erosion rates, depending on soil type, plant basal area, slope, storm intensity, and duration. The freeze-free season of Castle Valley Ridge is 0-40 days. Average temperatures range from a minimum of 8 degrees in January to a maximum of 82 degrees Fahrenheit in July.

The Castle Valley Ridge Coal Tract is located on Castle Valley Ridge which forms the drainage divide between the Huntington Canyon and Price River Watersheds. Huntington Creek is tributary through the San Rafael and Green Rivers to the Colorado River. The Price River is tributary to the Colorado River through the Green River. Four stream channels drain the west side of the tract into Nuck Woodward Canyon which then drains to the south and west into Huntington Creek. The east side of the tract is drained by the North and South Forks of Corner Canyon which flow through Gordon Creek to the Price River. The southern tip of the tract is drained by Wild Cattle Hollow and Gentry

Hollow which flow to Tie Fork then into Huntington Creek. Data indicates that the South Fork of Corner Canyon and Little Park Creek are perennial. Little Park Creek is the southernmost drainage which drains the west side of the tract. Both drainages are fed by springs which emerge from within the tract boundary. The remaining drainages within the tract are intermittent, however, some short reaches are perennial immediately below springs.

Beneficial use standards for waters on and near the tract are 1c, 3a and 4 (Standards for Quality of Water for the State of Utah, 1987). All waters within the outer boundaries of National Forests are considered to be antidegradation segments for water quality. Category 1c is protected for domestic purposes with prior treatment by standard complete treatment processes as required by the Utah Department of Health. Category 3a is protected for cold water species of game fish and other cold water aquatic life, including the necessary aquatic organisms in their food chain. Category 4 is protected for agricultural uses including irrigation of crops and stock watering.

Continuous stream flow records are not available for any of the streams that drain the tract. Seiler and Baskin (1988) completed a study of the hydrology of the Castle Valley Ridge and Alkali Creek Coal-Lease Tracts and the potential effects of coal mining (U.S. Geological Survey Water Resources Investigation Report 87-4186). Since continuous streamflow records are not available for any of the drainages on the tract, Seiler and Baskin (1988) computed the flows in the South Fork of Corner Canyon using regression equations. They estimated the 10-year peak flow to be 60 cubic feet per second and the average flow to be 0.74 cubic feet per second at its confluence with the North Fork. Seiler and Baskin report that the predominant chemical constituents of water sampled from this location in the South Fork are magnesium, calcium, bicarbonate and sulfate. The water quality changes from high flows (snowmelt runoff) in the spring to low flows in late summer and fall when springs contribute a greater percentage of the flow. As streamflow decreases, the concentration of major ions and the proportion of magnesium and sulfate increases. Examination of data presented by CPMC in the application shows that flow in Little Park Creek exhibits similar characteristics. CPMC's data (1980-1987) show that Total Dissolved Solids (TDS) concentrations in the South Fork of Corner Canyon, measured just above the confluence with the North Fork, range from 445 mg/l to 1,400 mg/l with an average concentration of 648 mg/l. CPMC's data for Little Park Creek sampled just above the confluence with Nuck Woodward Creek in September of 1987 and June of 1988 showed a TDS concentration of 280 mg/l and 258 mg/l respectively. For parameters which have been tested, water quality is generally consistent with numeric standards for the beneficial uses. Phosphate is an exception. The values for phosphate on this tract and the Wasatch Plateau often exceed the standard for cold water fish (3a). The phosphates are believed to be naturally occurring.

Twelve springs have been mapped within or directly adjacent to the tract boundary by CPMC and Seiler and Baskin (1988). Ten of these springs issue from the Star Point Sandstone or Blackhawk Formation. One issues from the Price River Formation and the remaining spring

issues from the Castlegate Sandstone at the contact with the Blackhawk Formation. Four of the springs within the tract have been developed for livestock and wildlife watering. There is one small stockpond.

Water samples from 17 springs in the area were analyzed. The predominant ions in water from springs in the North Horn Formation, Castlegate Sandstone and Price River Formation are calcium and bicarbonate. The predominant ions in water from the Blackhawk Formation are calcium, bicarbonate and magnesium. The predominant ions in water from the Star Point Sandstone are calcium, bicarbonate, magnesium and sulfate. TDS concentrations were highest in springs from the Star Point Sandstone, ranging from 383 to 579 mg/l (Seiler and Baskin, 1988).

Ground water movement, both volume and direction, is controlled by geologic conditions and structure. Lithology, faulting, jointing and dip of the rock layers influence ground water movement and recharge. The Star Point Sandstone and lower Blackhawk Formation form a localized aquifer as indicated by the number of springs which flow from these units. Perched aquifers also occur in the discontinuous sandstone lenses of the upper Blackhawk Formation and other overlying formations. Recharge occurs at the higher elevations from snowmelt and runoff. Water infiltrates the ground water regime through porous rock, joints and faults. The dip of the rock layers is approximately 3 degrees to the southwest. The water flows down-dip until it encounters faults or joints and is diverted to lower units or is trapped in discontinuous perched sandstone lenses. Flow in the Blackhawk-Star Point aquifer is probably controlled by Bear Canyon fault (Seiler and Baskin, 1988). Faults probably form major conduits for water flow especially where downward flow is impeded by shales. This is indicated by the close correlation between spring and fault locations. The flow of water in the faults is probably to the south as indicated by the emergence of springs along the north slopes of drainages at fault locations.

C. Soils

Several soils reports are available for this area. It was mapped at the Order 4 intensity level in the Land Systems Inventory of the Ferron-Price Planning Unit by Dale Rapin, 1977. This inventory designates four land-type associations present in the area. They are land-type associations A, J, M, and N. Reference should also be made to two reports by Jim Iaquina. These are: (1) "Soil Resource Evaluation for Getty Oil Coal Exploration Proposed on Castle Valley Ridge", 12/15/80, and (2) a supplement to the preceding report, 2/9/81. The soils on the steep slopes are sensitive to disturbance but would not be considered "unreclaimable".

Natural soil erosion rates are quite high on the west facing steep slopes, however, the erosion rates have not been calculated. This would need to be done prior to disturbance if they were identified in a plan of operations. There are few limitations for activities on soils at the south end of the lease tract (Unit A on the land-type association map), but the northern 3/4 of the tract is limited by steep slopes and sensitive soils.

D. Range and Wildlife

The tract is within two cattle allotments. There are 1,440 head that graze the Gentry Mountain C&H Allotment to the south from approximately June 27 to September 30; while 246 head that graze the Castle Valley Ridge C&H Allotment to the north from June 21 to September 30.

The general area is heavily used for calving by elk. Elk use the area in the spring and early summer and then again in the late fall. It is important to the productivity of the elk herd to have areas such as Castle Valley Ridge where they find seclusion (undisturbed by man) for calving and during the early part of the young calf's life. Some studies have shown that a cow will return to the same vicinity to drop her calf when she has been successful in past years in raising her young. This accounts for the heavy calving use we find in some areas such as the Castle Valley Ridge area.

The diversity of vegetative types on the lease tract supports a diverse wildlife population. Besides deer and elk, other game and furbearing species include: black bear, cougar, bobcat, badger, coyote, snowshoe hare, and occasionally moose have been seen. Avifauna of the area may include several species of raptors, jay and sparrow. Because of the diversity of habitat components, there are many small mammals and songbirds found on the lease which are too numerous to list in detail in this report.

There are no fisheries within the tract. Surface water from the tract does drain into Huntington Creek which is considered a valuable fishery. Bald eagles, an endangered species, are annual visitors in the region between November and March, however, no critical habitat has been identified within the tract. No other Threatened, Endangered or Sensitive species are known to inhabit the tract.

E. Vegetation

Trees such as Douglas fir, Englemann spruce, Subalpine fir and some White fir are scattered throughout the tract area, but are mostly found in stands occurring on the north and east facing slopes. Quaking aspen are found mostly on the more gentle slopes and somewhat wetter sites on the south and west slopes. Mountainbrush types occur on the dryer exposed slopes and are mostly dominated by mountain sagebrush, oakbrush, snowberry, serviceberry and some mahogany. A grass type occurs on the tops of the high ridges and windy upper slopes of the area. The dominant species are Salina wild ryegrass and western wheatgrass. There are several plant communities within each of the broad vegetative zones occurring in the tract. These are: Douglas fir - snowberry - carex; White fir - common juniper - bluegrass; Englemann spruce - Alpine fir - wild gooseberry; Aspen - snowberry - slender wheatgrass; Aspen - Oregon grape - bluegrass; big mountain sagebrush - western wheatgrass; mixed mountainbrush - slender wheatgrass; Salina wildrye - Coltons locoweed; Salina wildrye - low rabbitbrush types. Other types or phases of the above types do occur within this area. Each of these vegetative types and phases have

different environmental requirements and each will require different considerations for reclamation of disturbed areas.

F. Recreation and Visual Resources

Recreation Resource - Generally, the landscape is characterized by a natural appearing environment. The setting contains subtle modifications which would be noticeable, but would not seem to draw attention to the observer wandering through the area.

Recreation in the lease area includes dispersed camping, fuelwood gathering, hunting and sight seeing during the spring/summer/fall seasons. The greatest recreation use is in the fall during the big-game hunting seasons. There are no developed or inventoried recreation sites on the tract.

Scenic Quality is considered to be "common" or average. Landforms are distinctive while vegetative and water forms appear minimal.

The visual quality objective on the northern portion of the area and part of the southern portion is "Modification". Modification means that the result of man's activities may dominate the natural landscape but should borrow natural appearing line, form, color and texture from the natural landscape.

The visual quality objective for the remaining southern portion is "Partial Retention". Partial Retention means that the result of man's activities should remain subordinate to the natural landscapes.

G. Socioeconomics

The area of influence for the Castle Valley Ridge Tract, whether developed as an existing mine extension or an independent operation, is Carbon and Emery Counties which will be referred to as the study area.

The study area had an estimated population of 33,300 in 1988. Since 1980, population in the area has declined by 700 or about 2%. Population peaked in 1982 at 37,600 from which it has declined by 4,300 or about 12% in the 6 year period.

Other factors even more dramatically indicate the decline of the study area's economy over the last 5 years including:

Employment decline	-6,831 Jobs (38%)
Non Ag. Payroll decline	-\$77,100,000 (26%)
Personal Income decline	-\$19,100,000 (5%)
Unemployment (1982 - 6.5%)	(1987 - 13%)

Considering 1987 data, mining is the dominant industry in the study area accounting for about 40% of the non agriculture payroll. The second most important sector is transportation/communication/public

utility which account for 17% of payroll and is dominated by the 3 large electric power generating facilities in the area powered by coal mined in the area.

Other industries in the area contribute on the following basis: Farming (2 1/2%), Construction (5%), Manufacturing (1.5%), Trade (9%), Services (10%), Government (15%).

Population projections for the study area by the Utah Office of Planning and Budget show a very modest population increase of +1,500 or about 4.5% by the year 2000.

A major factor in the study area is what has happened in Utah coal mining industry employment (all operating coal mines in the state are in the study area except the SUFCO mine in Sevier County). Coal mine employment peaked in 1982 at 5,151 when 16,912,000 tons of coal production occurred. Within a period of one year from this peak, employment fell to 3,163 in 1983. Moderate decline has continued in recent years to the present level of 2,577. It is particularly significant that in the period from 1983 to 1987, coal production went from 12,182,000 tons to 16,200,000 tons, a 33% increase while employment went from 3,163 to 2,577, a 19% reduction. The productivity of Utah coal mining has increased significantly in the last 4 years due to longwall installation and other efficiency factors yielding a peak in 1988 of 18,200,000 tons.

IV. EFFECTS OF IMPLEMENTATION

A. Alternative One - No Action

Under this alternative the tract would not be offered for lease, therefore, the tract would not be mined.

There would be no environmental consequences to the tract area and surrounding vicinity and there would be no economic benefit to the Federal, State and local governments from coal lease fees and coal royalties. In addition, there would be no boost to the local economics and to the present unemployment rates in the area and the Star Point Mines would close sooner without the additional reserves.

B. Alternative Two - Offer the Tract for Leasing with Application of Management Requirements

Under Alternative Two, the stipulations contained in Appendix C would be included for the entire tract and anticipated impacts would be mitigated to an acceptable level.

1. Short-term and Residual Impacts

Development of the tract will logically follow leasing. Both short-term and residual impacts to Forest resources can be expected to result from development of the property. No surface

developments are proposed for the tract. Any proposal for future exploration or development on the tract will be evaluated as separate actions.

Longwall mining of the Wattis seam will result in fracturing of the overburden and subsidence of the ground surface above the underground workings. Temporary surface cracks may occur; however, these will generally heal themselves over time. Subsidence begins soon after mining and may continue for years afterwards. The rate, extent and amount will vary with geologic conditions and mining operations, but the amount may approximate 70% of the extracted coal height. Subsidence could increase the instability of the slopes especially in the northern portion of the lease, due to shallow overburden, thus resulting in increased erosion or slope failures. It is estimated that the average angle-of-draw for subsidence for the Wastach Plateau Coal field would fall between 15 and 22 degrees (measured from vertical), but has yet to be determined for the tract.

Most surface effects of subsidence are expected to occur toward the northern portion of the area due to shallow overburden. Some cracking is expected, however, the cracks are expected to fill in and appear natural within 5 years.

The result of the activity is expected to remain visually subordinate.

It is expected that mining and subsidence will have an effect upon the natural ground water flow, which may in turn alter the location and flow of seeps and springs above mined areas. Flow of some springs could be reduced and new springs could be created. Subsidence induced fracturing could divert surface waterflow directly underground if surface cracks intersect a stream channel or remain open. There is some evidence that cracks in the Blackhawk Formation seal themselves when they become wet due to expanding clays. The amount of water which could be diverted from the surface and perched aquifers to lower units or into the mine workings would depend on the extent of cracks which occur and the amount and rate of healing. Surface water diverted underground would not be lost from the hydrologic system and may or may not be lost from the subbasin in which it originates. Any resultant changes in the patterns of surface water occurrences could be expected to affect vegetation, wildlife or other surface resources depending upon the changes in soil moisture.

According to Seiler and Baskin (1988), diversion of water from the Price River Basin through the mine workings to the Huntington River Basin could occur since ground water encountered in the Star Point Mines is presently being discharged to the Price River Basin. If diversion is determined to be significant, it could be mitigated by construction of a breakout for mine water discharge on the west side of the divide. Flow distribution to the two watersheds will probably be restored after abandonment of the mine and pumping to the discharge location is discontinued.

Water quality could be altered due to changes in the route of flow and location of convergence of springs which feed surface drainages. The dissolved constituents of the water may be altered due to changes in contact time with specific rock formations. These changes, however, are not considered to be significant or quantifiable at this time.

Water quality may be altered by discharging mine water into drainages. Due to the volume of discharge water, dilution could occur resulting in improvement of water quality for some parameters. The discharged water could also result in decreased water quality due to the introduction of additional amounts of dissolved constituents. As water flows through mine workings it could become contaminated with with oil and grease, metals, coal dust, sulfates and other materials. Total Dissolved Solids (TDS) could increase, however, NPDES permits require treatment to meet State standards for discharge. Seiler and Baskin (1988) indicate that discharge from abandoned and reclaimed mine areas could increase the concentration of dissolved solids and decrease the pH of the receiving drainages. They also indicate that water may still meet Utah's drinking-water standards. Lindskov (1986) completed a study of the potential effects of coal mining on the salinity of the Price, San Rafael and Green Rivers. He concluded that anticipated mining in the Price and San Rafael River basins is not expected to cause a detectable change in the quantity and quality of flow in the Green River.

2. Short-term Use vs. Long-term Productivity

The only reasonable assumption for development of the CVR tract is through acquisition and access by the applicant. Cyprus-Plateau indicates that the tract will "allow the company to maintain a high annual production level for the balance of its existence." They also indicate the tract will allow the company to "maintain 42 additional employees for a 17 year period." These are not new employees but existing employees who would have jobs as the mine life is extended for an equivalent 5 years. In 1987 and 1988, the Star Point Mines produced about 1.8 million tons (gross) and 1.6 million tons (net) with an estimated 225 employees.

In summary, the leasing and development of the tract will not have significant additional socioeconomic impact on the study area. The main factor will be prevention of lay-offs and extension of mine life. The applicant indicates 34.25 million dollars of direct and indirect wages will be created and 13.6 million dollars of royalties will be paid to the Federal government which will return 50% to the state government.

Most of the short-term effects on surface resource productivity result from facilities such as portals, conveyors, powerplants, etc., which are all located off the tract area. If any surface facilities are proposed they will be evaluated in a separate environmental assessment.

Underground mining and subsidence could involve long-term alteration of the ground water flow and associated effects to surface resources. The long-term productivity could be altered as drainages, soils and vegetation gradually adjust to any modified ground water conditions. The surface resource productivity could decrease or increase depending on the amount of available water.

3. Irreversible and Irretrievable Commitment of Resources

Development of the lease tract will irreversibly and irretrievably commit any coal that is mined to the purpose for which it is eventually used, in this case presumably steam generation of electricity. Any coal that remains in place after the lease is mined will be, for all practical purposes, committed to non-use. This commitment will probably be irreversible and irretrievable. Any resources, labor and materials that are utilized for development of the tract will be irreversibly and irretrievably committed to that use. Those aquifers that are disturbed during mining or subsidence become irretrievably and irreversibly altered.

4. Cumulative Impacts

Historically, man's activities in the Castle Valley Ridge vicinity include livestock grazing, timber sales, recreation and mineral exploration and development. The impacts discussed for the proposed action would be added to those impacts which already exist from these other activities.

Livestock grazing since the late 1800's combined with range improvements, timber sales, fire control and watershed improvement projects have caused change in vegetation types present in the area and plant diversity and density. Some decrease in soil productivity and watershed conditions have also occurred. Range and watershed improvements are resulting in improvement of conditions.

The construction of roads to meet access needs and off-road travel from recreation activities have resulted in removal of some vegetation and increased erosion.

Mineral exploration in the area includes coal and oil and gas exploration drill holes and geophysical exploration. All of the roads and drill pads associated with these activities have been successfully reclaimed. The only mineral production in the area at present is coal mining.

Cumulative effects of current activities, including the proposed leasing action, are expected to be within the thresholds established in the Forest Plan.

V. PERSONNEL AND PUBLIC INVOLVEMENT

A. Interdisciplinary Team

<u>SPECIALTY</u>	<u>SPECIALIST</u>	<u>ROLE</u>
Engineering	Brent B. Barney	Member
District Ranger	Ira W. Hatch	Consultant
Visual Quality/Rec.	James Jensen	Consultant
Hydrology	Dennis Kelly	Member
Soils & Reclamation	Dan Larsen	Member
Minerals/Geology	Terry McParland	Member Rep. BLM - Moab District
Socio-Economics	Max Nielson	Member BLM Utah State Office
Minerals/Geology	Walter Nowak	ID Team Leader
Wildlife/T.E.&S. Animals	Rod Player	Member
T.E.&S. Plants/Range	Bob Thompson	Member
Cultural Resources	Les Wikle	Consultant

B. Other Organizational and Public Involvement

In addition to the news release requesting comments, from the general public there were 15 solicitations from specific, interested publics. Copies of these documents are contained in Appendix B. Based on comments received, public interest is considered to be low. See section I-D, Public Issues, Management Concerns and Opportunities of this EA for a discussion of responses.

VI. SELECTED TIERING AND REFERENCE DOCUMENTS

- 1) E.A. for Modification of Federal Coal Lease U-13097, 8/17/83.
- 2) E.A. Readjustment of Federal Coal Lease SL-031286, 6/24/83.
- 3) Application for Federal Coal Lease Tract UTU-64263, Castle Valley Ridge, Cyprus-Plateau Mining Corp.
- 4) E.A. Modification of Federal Coal Lease SL-031286, 9/3/82.
- 5) Tract Delineation Review Report, Leasing on Application UTU-64263, 2/1/89.
- 6) Situation Statement, Castle Valley Ridge Tract 3/80.
- 7) E.A. Proposed Coal Exploration Drilling, CVR and Gentry Mountain, Getty Mineral Resources Company, 9/11/81.
- 8) Site Specific Analysis Castle Valley Ridge Proposed Coal Lease Tract, 5/25/82.
- 9) Manti-LaSal National Forest Land and Resource Management Plan and Final EIS, 11/86.

- 10) Uinta-Southwestern Utah Region Round Two Final EIS, 1983.
- 11) Lindskov, K.L., 1986. Potential effects of Anticipated Coal Mining on Salinity of the Price, San Rafael and Green Rivers, Utah; U.S. Geological Survey, Water-Resources Investigations Report 86-4019.
- 12) Seiler, R.L. and Baskin, R.L., 1988. Hydrology of Alkalai Creek and Castle Valley Ridge Coal-Lease Tracts, Central Utah, and Potential Effects of Coal Mining. U.S. Geological Survey, Water-Resources Investigations Report 87-4186.
- 13) Star Point Mines, Mining and Reclamation Plan, Plateau Mining Company, September, 1986.

APPENDICES

- A. Tract Delineation Review Report
- B. Public Involvement Documents
- C. Special Lease Stipulations

Appendix A - Tract Delineation Review Report

UINTA-SOUTHWESTERN UTAH COAL REGION
BUREAU OF LAND MANAGEMENT

TRACT DELINEATION REVIEW REPORT

Leasing by Application - U-64263
- Cyprus-Plateau Mining Corporation

I. APPLICATION DATA

Date Filed: July 7, 1988

Legal Description:

T. 14 S., R. 7 E.,
sec. 34, lots 3 and 4, N $\frac{1}{2}$ SE $\frac{1}{2}$;
161.63 acres.

T. 15 S., R. 7 E.,
sec. 2, lots 2-7, and 10-12, SW $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{2}$;
sec. 3, lots 1, 2, and 7-10, E $\frac{1}{2}$ SE $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{2}$;
sec. 10, E $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{2}$ NE $\frac{1}{2}$;
sec. 11, W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$;
sec. 14, NW $\frac{1}{2}$, NW $\frac{1}{2}$ NE $\frac{1}{2}$;
sec. 15, E $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{2}$;
1,825.83 acres.

Acreage: 1,987.46 acres

Surface Ownership
All Federal

Surface Administration
Manti-LaSal National Forest - 100%

Preliminary Coal Resource Information

Minable Seams	- Wattis
In-place Coal Reserve Base	- 24,100,000 tons
Minable Reserve Base	- 15,300,000 tons
Recoverable Reserves	- 8,900,000 tons

An additional 3.1 million tons have been identified for the Hiawatha bed and 5.7 million tons for the Third bed. Neither bed is considered minable at present.

II. ANALYSIS FOR ENHANCING COMPETITION

A. Tract Configuration

1. Comparison with Prior Delineated Tracts.

The tract applied for is reduced somewhat from a parcel delineated in 1982, by the Minerals Management Service as the "Castle Valley Ridge Tract" for Round II regional coal lease consideration. The original configuration was based on: expressions of interest, land use planning considerations, available coal data, access considerations to the tract, and the extent of unleased coal. Subsequent drilling on the northern part of the original tract indicates that the Wattis seam thins and splits to the north and contains no minable reserves. Based on this information, the applicant has only applied for the southern half of the original tract. To cover the uncertainty as to where the Wattis seam becomes unminable, the Tract Delineation Team recommends adding an additional 161.63 acres to the applicant's tract.

2. Size Consideration

The tract under application is relatively small with limited reserves that are likely to be accessible only from mine workings planned for Federal leases south of the tract. With the limited potential reserves of unleased coal in the area and the limited number of economic access points to the reserve, it does not appear that there are sufficient potential reserves in the area to support an independent mining operation.

3. Industry Interest

The tract was originally delineated in 1982, in response to an expression of interest submitted by Getty Mineral Resources Co. Getty and their successor in interest, Cyprus-Plateau Mining Corp. have conducted exploration drilling and geophysical surveys on the property. The applicant appears to be the only existing operation to have interest in the area with reasonable access to the tract.

4. Planning/Environmental Considerations

The land on the tract has been determined to be suitable for further consideration for coal leasing by the Manti-LaSal National Forest (FLRMP, 11/86).

5. Captive/Bypass Situation

Due to the limited access because of faulting, the tract under application may be considered a captive or bypass situation. However, the tract configuration does not create a new captive or bypass situation for other unleased coal.

B. Ownership Pattern/Control

1. Surface/Minerals

The surface and minerals on the tract are all controlled by the Federal Government with the surface administered by the US Forest Service. Existing coal holdings adjoining the tract include the Cyprus-Plateau Mining Corp. property to the south and east of the tract which include the workings of the Star Point Mine.

2. Access

The tract under application has been determined to have potential economic access only from mine workings projected on the applicant's leases south of the tract.

3. Extent of Unleased Coal

The potentially minable reserves in the Castle Valley Ridge Tract occur in a narrow fault block known as the Gentry Ridge Horst. This block is bounded on the east by the Bear Canyon Graben and on the west by the Pleasant Valley Graben. The Gentry Mountain Horst terminates to the north of the tract where the Bear Canyon and Pleasant Valley Graben systems appear to merge. The tract reserves are also stratigraphically limited to the north due to splitting and thinning of the Wattis seam.

C. Marketability

The minable seam in the tract has high-volatile B bituminous rank coal with a high heating value (12,100-12,450 Btu/lb) and low sulfur content (0.4-0.6%). The coal quality appears to be no different from coal presently being produced in the area.

III. CONCLUSION

The tract as applied for includes the bulk of potentially minable coal in the area. However, some additional lands may have mining potential and should be added to help eliminate a possible bypass situation or need for an additional application. The Castle Valley Ridge tract has limited competitive interest for the following reasons: (1) The tract reserves are relatively limited with less than 9 million tons of recoverable reserve; (2) Access to the coal other than through the existing operation does not appear feasible; (3) Interest in the tract in recent years has been limited to one company.

The tract is important to the applicant because it will increase reserves to the operation by 35%, reduce capital investment per ton for the mine by 27%, and provide for greater productivity for the mine life.

Tract Delineation Team

Date

James F. Kohler
James F. Kohler, Geologist
BLM, Utah State Office

Jan. 24, 1989

Terry McParland
Terry McParland, Geologist
BLM, Moab District Office

Jan 27, 1989

Shannon Hoefler
Shannon Hoefler, Mining Engineer
BLM, Moab District Office

January 27, 1989

Max Nielson
Max Nielson, Economist
BLM, Utah State Office

Jan 24, 1989

Walter E. Novak
Walter Novak, Geologist
Manti-LaSal National Forest

FEB. 1, 1989

)

Appendix B - Public Involvement

United States
Department of
Agriculture

) Forest
Service

Manti-LaSal
National Forest

Price Ranger District
599 West Price River Dr.
Price, Utah 84501

~~Revised to 2/12/89~~

Date: March 29, 1989

ADDRESS TO BE MERGED USING
A MAILING LIST SET UP AS
A MERGE DOCUMENT _ MERGE DOCUMENT
WILL BE A LIST OF INTERESTED PUBLICS
FOR THE CVR PROPOSED LEASE TRACT

The Bureau of Land Management and Forest Service will be evaluating an application by Cypress-Plateau Mining Corporation to lease Federal lands in Carbon and Emery Counties for coal development. The proposed lease tract, known as the Castle Valley Ridge Tract, lies adjacent to the north and west boundaries of Cypress-Plateau's existing Starpoint Mines Permit Area, as shown on the enclosed map. Cypress-Plateau's application states that they intend to mine the proposed lease using existing portal facilities associated with the Starpoint Mines.

The application will be processed under the Lease By Application procedure recently adopted by the Uinta-Southwestern Utah Coal Region. The proposed tract encompasses 1987.46 acres of Federal coal lands. The surface of the lease area is under Federal management administered by the USDA Forest Service, Manti-LaSal National Forest.

The subject lands have been determined to be suitable for further consideration for coal leasing under existing Bureau of Land Management and Forest Service Land Use Plans. The Bureau of Land Management and Forest Service will jointly evaluate the tract on a site-specific basis for leasing in accordance with the requirements of Federal Regulations 43 CFR 3400 and the National Environmental Policy Act of 1969 (NEPA). If offered for lease, the tract will be leased on a competitive basis.

Further information can be obtained at the Bureau of Land Management, Moab District Office in Moab, Utah, and the Manti-LaSal National Forest Supervisor's Office in Price, Utah.

Public comments will be accepted at the Manti-LaSal National Forest, Supervisor's Office, 599 West Price River Drive, Price, Utah 84501, until April 18, 1989.

Sincerely,

/s/ Ira W. Hatch

IRA W. HATCH
District Ranger

Enclosures
wNewak:tm

m01nSoutheastern Utah Assoc of Local Governments

ATTN: Bill Howell

P.O. Drawer 1106

Price, Utah 84501-0881

m02nBill:

m01nMeriy County Commissioners

County Courthouse

Castle Dale, Utah 84513

m02nSir:

m01nCarbon County Commissioners

Courthouse Building

Price, Utah 84501

m02nSir:

m01nDiv. of Wildlife Resources

ATTN: Larry Dalton

455 W. Railroad Ave.

Price, Utah 84501

m02nLarry:

m01nUtah Wilderness Association

Attn: Dick Carter

455 East 400 South, #306

Salt Lake City, Utah 84111

m02nDick:

m01nKay Jensen

eland, Utah 84518

m02nKay:

m01nLee Lemmon

Box 1183

Huntington, Utah 84528

m02nLee:

m01nPrice Municipal Corp.

Attn: Art Lee Martinez, Mayor

P.O. Box 893

Price, Utah 84501

m02nArt:

m01nSlickrock Country Council

ATTN: Brent Griggs

Rt. 1, Box 144H

Price, Utah 84501

m02nBrent:

m01nDivision of Oil Gas & Mining

Attn: Ron Daniels

355 W. North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

m02nRon:

m01nU.S. Fish & Wildlife Services

Attn: Robert Ruesink-State Supervisor

1745 W. 1700 S.

Salt Lake City, Utah 84104-5110
m02nRobert:

m01nHuntington Cleveland Irrigation
Varden Wilson
Box 327
Huntington, Utah 84528
Varden

m01nPrice River Water Improvement Dist.
265 Fairgrounds Road
Price, Utah 84501
m02nSir:

m01nUtah State Division of Water Rights
Attn: Mark Page
P.O. Box 718
Price, Utah 84501
m02nMark:

m01nOffice of Surface Mining
Attn: Floyd McMullen
1020 15th Street
Denver, Colorado 80202
m02nFloyd:



NEWS RELEASE

MANTI-LASAL NATIONAL FOREST

FOR FURTHER INFORMATION CONTACT WALTER NOWAK OR IRA HATCH, PRICE RANGER DISTRICT, MANTI-LASAL NATIONAL FOREST, 599 W. PRICE RIVER DRIVE, PRICE, UTAH 84501 (801) 637-2817

MARCH 29, 1989

FOR IMMEDIATE RELEASE BY APRIL 4, 1989

Forest Supervisor
599 West Price River Drive
Price, UT 84501
(801) 637-2817

Sanpete District Ranger
150 South Main Street
Ephraim, UT 84627
(801) 283-4151

Ferron District Ranger
50 South State Street
Ferron, UT 84523
(801) 384-2372

Price District Ranger
1 West Price River Drive
Price, UT 84501
(801) 637-2817

Moab District Ranger
125 West 200 South Street
Moab, UT 84532
(801) 259-7155

Monticello District Ranger
496 East Central Street
Monticello, UT 84535
(801) 587-2041



The Bureau of Land Management and the Forest Service will be evaluating an application by Cypress-Plateau Mining Corporation to lease Federal lands in Carbon and Emery Counties for coal development. The proposed coal lease tract, known as the Castle Valley Ridge ^{TRACT}, lies just north of and adjacent to Cypress-Plateau Mining Corporation's existing Starpoint Mines Permit Area and about 17 miles due west of Price, along the boundary between Carbon and Emery Counties.

According to George Morris, Forest Supervisor of the Manti-LaSal National Forest, the application will be processed under the Lease By Application procedure recently adopted by the Uinta-Southwestern Utah Coal Region. The proposed tract encompasses 1987.46 acres of Federal coal lands. The surface of the involved lands are under management by the USDA Forest Service, Manti-LaSal National Forest.

The subject lands have been determined to be suitable for further consideration for coal leasing under existing Bureau of Land Management and Forest Service Land Use Plans. The Bureau of Land Management and Forest Service will jointly evaluate the tract for leasing. For further information,



NEWS RELEASE

MANTI-LASAL NATIONAL FOREST

contact the BLM Moab District Office in Moab, Utah or the Manti-LaSal National Forest Supervisor's Office in Price, Utah.

Public comments will be accepted at the Manti-LaSal National Forest Supervisor's Office, 599 West Price River Drive, Price, Utah 84501, until April 18, 1989.

FOR PUBLICATION IN: SUN ADVOCATE AND EMERY COUNTY PROGRESS

Forest Supervisor
599 West Price River Drive
Price, UT 84501
(801) 637-2817

Sanpete District Ranger
150 South Main Street
Ephraim, UT 84627
(801) 283-4151

Ferron District Ranger
50 South State Street
Ferron, UT 84523
(801) 384-2372

District Ranger
West Price River Drive
UT 84501
, 637-2817

Moab District Ranger
125 West 200 South Street
Moab, UT 84532
(801) 259-7155

Monticello District Ranger
496 East Central Street
Monticello, UT 84535
(801) 587-2041





United States Department of the Interior

OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
BROOKS TOWERS
1020 15TH STREET
DENVER, COLORADO 80202



April 14, 1989

FOREST SERVICE
In Reply Refer To:
MANTI-LASAL NATIONAL FOREST
PRICE, UTAH
APR 14 1989
*John
Watts
Juda*

George A. Morris
Forest Supervisor
Manti-LaSal National Forest
USDA, Forest Service
599 West Price River Drive
Price, Utah 84501

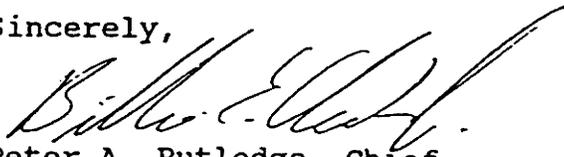
Dear Mr. Morris,

The Office of Surface Mining Reclamation and Enforcement (OSMRE) is responsible for the preparation of National Environmental Policy Act compliance documents that examine the probable impacts to the human environment of approving or disapproving mining plans associated with the development of Federal coal estate in the State of Utah. Your current effort to evaluate Cypress-Plateau Mining Corporation's application to lease the Castle Valley Ridge Coal Tract in Carbon and Emery Counties is of particular interest to us, because your evaluation could affect possible future mine development. Moreover, any environmental document that addresses mine development in this area could be used by OSMRE as a reference document, if not a NEPA compliance document, for mine plan approval activities in future years. For these reasons, OSMRE would like to participate fully as a formal cooperating agency in the preparation of the environmental assessment for the Castle Valley Ridge Coal Tract.

With your consent, we are prepared to participate in any additional scoping activities you may plan, assist in the review and formulation of the coal development scenario, identify probable impacts, and provide as complete a review as possible of any preliminary documents you prepare. We would be pleased to increase our involvement to the extent our agencies agree is necessary and OSMRE resources allow.

We have designated Floyd McMullen in our Federal Lands Branch to be the primary contact for this project. He will coordinate all requests for environmental analysis and/or review. Please direct any questions to Floyd in Denver at (303) 844-3104.

Sincerely,

for 

Peter A. Rutledge, Chief
Federal Programs Division
Western Field Operations

cc: Price District Ranger
OSMRE-AFO Director

United States
Department of
Agriculture

Forest
Service

Manti-LaSal
National Forest

FOREST SERVICE
MANTI-LASAL NATIONAL FOREST
PRICE, UTAH

APR 25 1989

599 West Price River Dr.
Price, Utah 84501

Reply to: 2820

Date: April 25, 1989

Floyd McMullen
Office of Surface Mining
Reclamation and Enforcement
Brooks Towers
1020 15th. Street
Denver, Colorado 84501

Dear Mr. McMullen:

We received your letter, dated April 14, 1989, requesting that the Office of Surface Mining Reclamation and Enforcement (OSMRE) be included as a cooperating agency regarding the Environmental Analysis for the proposed Castle Valley Ridge Tract (Coal Lease Application UTU-64263).

The Bureau of Land Management and Manti-LaSal National Forest are cooperating in regard to preparation of the Environmental Assessment. The first step in obtaining public participation and identifying public issues and management concerns is identified as project scoping. On March 29, 1989, we sent a letter to your office requesting comments on an attached Project Scoping Document. Similar letters were sent to all identified interested publics. The Project Scoping Document listed preliminary issues and concerns identified by the Forest Service prior to soliciting public comments or assembling the Interdisciplinary Team. Comments from the public which would be used to confirm or adjust the list of issues and concerns to be addressed in the Environmental Assessment were requested by April 18, 1989.

Since the Environmental Assessment will be prepared for a leasing action and OSMRE's responsibilities under SMCRA do not begin until a Mining and Reclamation Plan is submitted, we did not identify OSMRE as a cooperating agency in conducting the environmental analysis. We will, however, consider any comments or advice regarding potential environmental affects of mining which your agency would like to contribute.

When the Environmental Assessment is finalized it will be available for review by interested publics and a public meeting as required under Federal Regulations 43 CFR 3425.4(a)(1) will be scheduled. The BLM decision regarding leasing and the Forest Service consent/non-consent decision will be made after the meeting

and will be documented in an appropriate decision document. The decision document will also be released for public review and the Forest Service consent/non-consent decision will be subject to appeal through Forest Service Appeal Regulations.

If you have any questions, please contact Walt Nowak at this office.

Sincerely,

/s/ Aaron L. Howe

for
GEORGE A. MORRIS
Forest Supervisor

cc:
D-3
C. Reed



DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE RESOURCES

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Timothy H. Provan
Division Director

Southeastern Region
455 West Railroad Avenue
Price, Utah 84501-2829
801-637-3310

April 18, 1989

Mr. Ira Hatch
Price District Ranger
Manti LaSal National Forest
599 West Price River Drive
Price, UT 84501

Attn: Rod Player

Dear Ira:

In regard to Cypress-Plateau Mining Corporation's proposal to lease the Castle Valley Ridge Coal Tract, we are concerned about the effects of subsidence on wildlife. As you know, the company will access the tract from their existing Starpoint Mines. Generally speaking, impacts of subsidence on wildlife lie in two general areas: hydrologic ecosystems and terrestrial ecosystems. The following is offered for your information.

Subsidence can result in drying up of impounded water bodies or modification to flows at seeps, springs, perennial or even intermittent channels. This can result from the capture in subsidence cracks of water and its resultant migration into other geological strata. Some strata may not allow water to discharge to the surface. Such an impact can have serious consequence to a local area's wildlife in that drinking water may become reduced in value or unavailable to terrestrial animals.

Seeps or springs providing flow during periods when wildlife are present represent a critical valued resource to all of the local area's wildlife. Most wildlife have small and limited home ranges. As a result, when one of these critical valued aquatic resources is lost, the animal does not have the physical capability of "packing his bag" and moving to another area of acceptable habitat. Those few species that have such a physical capability usually find the home ranges in adjoining areas already filled to capacity. It is for that reason that the Division holds firm to the philosophy that each and every seep and spring is a critical resource for wildlife.

In the event that coal mining results in subsidence that impacts the flows at seeps and springs, mitigation is anticipated. An impact would be deemed substantial if the daily flow from a seep or spring was reduced by 50% or more. Mitigation that would be expected is simply the replacement of the water. Unquestionably, there would be many techniques that could achieve this goal; guzzlers are considered to be the most effective technique. They should be fenced with a 3-rail/pole fence having a maximum height of 42 inches. Clearance between the ground and the bottom pole, as well as space between the top two poles, should be at least 14 inches. This will allow passage of wildlife while disallowing domestic livestock.

Aquatic life, particularly hydrophytes, invertebrates, mollusks and fishes could suffer due to reduced or lost flows. It is even possible that subsidence fractures could expose undesirable mineral deposits to aquatic systems. If such situations were to occur, aquatic and terrestrial animals would either perish or be forced to reduce the size of their use areas. Ultimately, the carrying capacity of the area for wildlife would be reduced.

Increased flows resulting from subsidence that may appear as a benefit could in actuality mean that some other aquatic system has lost flows. But benefits are possible if subsidence cracks access an isolated hydrologic basin.

Reduced or lost flows in surface water systems and ground water systems can negatively impact terrestrial habitats. Mesic habitats (riparian, wetland and aspen types) associated with those systems could be degraded by the reduction or loss of water. In all ecological situations (desert, submontane and montane) riparian or wetland ecosystems due to their high level of biological productivity, limited acreage and intense use by wildlife, represent a critical valued habitat. Similar comments can be made for the aspen habitat in the montane ecological situation.

Beyond problems associated with aquatic systems, subsidence impacts to terrestrial wildlife and habitats are primarily associated with surface movement of the earth. However, methane gas has been known to travel along subsidence fractures to the surface. The escaping gas affects rhizobium in the soil and can kill adjacent rhizobium dependent vegetation.

The surface cracks alone have little impact on wildlife. It is possible that individual animals could perish in some of these holes or cracks. It has even been suggested that the movement in the earth could collapse the burrows of small rodents, thus trapping and killing them. At this point in time, I doubt whether that is a valid concern in that small rodents are extremely abundant. Since subsidence occurs over such small and limited areas, impacts to rodents would not be of consequence.

Ira Hatch
April 18, 1989
Page 3

Most rodents probably have trouble with their burrows caving at times anyway. Thus, they are adapted to digging around such cave-ins. It is likely that cracks and surface displacement created by subsidence represent escape cover for small animals, and to some degree, access points for burrowing animals.

Subsidence has caused escarpment failures. When raptor nests exist in the escarpments, such failures would be of negative consequence, since raptors typically return to reuse their nests over the years. Where escarpment failure occurs and there are no raptor nests, such failure could create suitable raptor nesting habitat.

Many surface displacement lines from subsidence in Utah's coal mining areas are utilized extensively by big game as travel corridors. These fracture lines, once they become filled in, represent a flat trail on which the animals can easily walk around the contours of a mountain or across ridge tops.

It is hoped that the aforementioned information will prove useful to you in coal leasing decisions. If the Division can be of any further service, please don't hesitate to call.

Sincerely,



Larry B. Dalton
Wildlife Program Manager
Resource Analysis/Habitat Protection

LBD/rrd

cc: SLO/RAS
Lowell Braxton, DOGM
Clark Johnson, USFWS
Linda Seibert, BLM

NOV 14 1988

report: ML-89-0492

Manti-LaSal NF

CULTURAL RESOURCE RESPONSE
TO
CYPRUS-PLATEAU MINING CO.
COAL LEASE APPLICATION
UTU-64263

C.D-3
Cyprus-Plateau Mining Company has filed a coal lease application (UTU-64263) for 1826 acres in the Gentry Mountain area near "The Steeps". The tract is at elevations of about 8800 feet to over 10,000 feet. This application covers Forest Service system lands on the Price Ranger District of the Manti-LaSal National Forest. This proposal is in portions of sections 2, 3, 10, 11, 14, and 15 of Township 15 South, Range 7 East.

Generally speaking, coal leases have been required to be covered by at least a 10% sample survey for cultural resources for the initial lease itself, with 100% surveys later required for specific impact areas, such as mine portals, road construction, etc. To complete this requirement for the lease itself, a Class I inventory (literature search) is to be conducted, and, if necessary, a Class II inventory (survey sample) completed to the extent that at least 10% of the area has been searched for cultural resources.

In the area of the proposed coal lease, there is at present on record three cultural resource survey efforts conducted within the area itself, with others having been completed nearby (one just adjacent to the southeast corner of the lease proposal). One survey covered a block of 160 acres in the center of the lease area, and the other two surveys consisted of seismic lines and access roads north of this block (see map).

These survey projects found only two isolated artifacts, each being individual flakes with no evidence of use as scrapers or other tools. The survey that was conducted to the southeast (just adjacent to the lease proposal), also 160 acres, found two archeological sites and three isolated artifacts. The sites were lithic scatters (locations of stone flaking activity) with limited informational content. Two of the isolated artifacts were flakes, while the third was a projectile point with probable Archaic time period connotations (several thousand years B.C.).

The nature of the cultural resources found indicates that the area was used very lightly in prehistoric times, and mostly for flaking, although the projectile point indicates some limited hunting activities.

The coal lease proposal area is in very steep terrain, with the exception of the slightly flat southern portion, which is at very high elevations (basically 9600 feet to 10,100 feet). It is important to note that immediately to the east of this location is the previously surveyed area outside of the proposed lease that found the two lithic scatters and three isolated artifacts at only slightly lower elevations. Therefore, we can expect when surveys are completed

in this southern sector of the proposed lease that we will have found a few more lithic scatters and possibly one or two more projectile points. Other than this area, it is expected that only a few more isolated flakes will be found at the extreme north part of the lease area, on the flatter narrow top where Castle Valley Ridge ends.

The 184 acres surveyed so far constitutes 10.1% of the total proposed lease acreage, and is an adequate sample for assessing the initial patterns found in the cultural resources within the area. This is at this time a sufficient sampling completed to give us a good overall picture of the potential for cultural resources in the area, as far as leasing itself goes. (Surface disturbing projects will have to be addressed separately.)

On the basis of the findings so far, it can be projected that cultural resource concerns will probably be very minimal in complexity, and that mitigation in the event of future proposed surface-disturbing projects will also be very minimal in difficulty.

At the present time, there seems to be no further cultural resource field work needed to be done to complete this portion of the review of the proposed Cyprus-Plateau Mining Company coal lease application (UTU-64263). The three survey reports covering the activities within this lease area have previously been reviewed by the State Historic Preservation Officer (SHPO) of Utah.

REFERENCES

Nickens and Associates

1983 [title and author not available at this time...will be supplied later]

Weder, Dennis

1981a "Cultural Resource Inventory of Proposed Coal Exploration Drill Holes and an Access Road in the Castle Valley Ridge Locality of Emery and Carbon Counties, Utah". Archeological-Environmental Research Corporation, Salt Lake City, Utah.

1981b "Cultural Resource Inventory of Proposed Seismic Lines and Noise Test Lines in the Gentry Mountain and Castle Valley Ridge Localities of Emery and Carbon Counties, Utah". Archeological-Environmental Research Corporation, Salt Lake City, Utah.



Les Wikle
District Archeologist

10 November 1988

Criterion Number 11. There are no bald or golden eagle aeries found within the tract area.

Criterion Number 12. There are no bald or golden eagle roosts nor concentration areas found within the tract area.

Criterion Number 13. There are no known falcon cliff nesting sites within the tract area.

Criterion Number 14. There are no lands within the tract area which are high priority habitat for migratory bird species of high Federal interest.

Criterion Number 15. There are lands within the proposed tract which are fish and wildlife habitat for resident species of high interest to the State. However, the stipulated methods of coal mining will not have a significant long-term impact on the species being protected.

Would you please send your comments regarding our assessment of application of the aforementioned unsuitability criteria and your concurrence, as appropriate? Due to time constraints, please submit any comments by May 19. We will consider no response as concurrence.

If you have any questions concerning the proposal, please feel free to contact Rod Player or Walt Nowak of this office.

Sincerely,

/s/ Aaron L. Howe

for
GEORGE A. MORRIS
Forest Supervisor

Enclosures

cc: T. McParland, BLM-Moab
J. Frandsen
R. Player
L. Dalton, DWR-Price
D-3

WNowak:tm

)

)

Appendix C - Special Lease Stipulations

Sec. 15. SPECIAL STIPULATIONS.

1. The Regulatory Authority shall mean the State Regulatory Authority pursuant to a cooperative agreement approved under 30 CFR Part 745 or in the absence of a cooperative agreement, Office of Surface Mining. The Authorized Officer shall mean the State Director, Bureau of Land Management. The Authorized Officer of the Surface Management Agency shall mean the Forest Supervisor, Forest Service. Surface Management Agency for private surface is the Bureau of Land Management. For adjoining private lands with Federal minerals and which primarily involve National Forest Service issues, the Forest Service will have the lead for environmental analysis and, when necessary, documentation in an environmental assessment or environmental impact statement.

2. The Authorized Officers, of the Bureau of Land Management, Office of Surface Mining (Regulatory Authority), and the Surface Management Agency (Forest Service) respectively, shall coordinate, as practical, regulation of mining operations and associated activities on the lease area.

3. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this Act and are subject to compliance with Office of Surface Mining Regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.

4. Federal Regulations 43 CFR 3400 pertaining to Coal Management make provisions for the Surface Management Agency, the surface of which is under the jurisdiction of any Federal agency other than the Department of Interior, to consent to leasing and to prescribe conditions to insure the use and protection of the lands. All or part of this lease contain lands the surface of which are managed by the United States Department of Agriculture, Forest Service Manti-LaSal National Forest.

The following stipulations pertain to the Lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

5. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the Lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.

If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the Lessee prior to disturbance shall, immediately bring them to the attention of the appropriate authorities. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

- The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

6. If there is reason to believe that threatened or endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area the Lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

7. The Lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data is adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the inter-relationship of the geology, topography, surface hydrology, vegetation, and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

9. The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of the access road, are factors which will determine the ultimate size of the surface area utilized for the mine. A site specific environmental analysis will be prepared for each new mine site development and for major modifications to existing developments to examine alternatives and mitigate conflicts.

10. Consideration will be given to site selection to reduce adverse visual impacts. Where alternative sites are available, and each alternative is technically feasible, the alternative involving the least damage to the scenery and other resources shall be selected. Permanent structures and facilities will be designed, and screening techniques employed, to reduce visual impacts, and where possible achieve a final landscape compatible with the natural surroundings. The creation of unusual, objectionable, or unnatural land forms and vegetative landscape features will be avoided.

11. The Lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

12. The Lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Development Roads (FDR), Lessees may perform their share of road maintenance by a commensurate share agreement if a significant degree of traffic is generated that is not related to their activities.
13. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, or (3) damage or alter the flow of perennial streams. The Lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created.
14. In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.
15. If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.
16. The coal contained within, and authorized for mining under this lease, shall be extracted only by underground mining methods.
17. Existing Forest Service owned or permitted surface improvements will need to be protected, restored, or replaced to provide for the continuance of current land uses.
18. In order to protect big game wintering areas, elk calving and deer fawning areas, sagegrouse strutting areas, and other critical wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specific periods of the year.
19. Support facilities, structures, equipment, and similar developments will be removed from the lease area within 2 years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to a premining land use.
20. The lessees at the conclusion of the mining operations, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed, or displaced corner monuments (section corners, quarter corners, etc.) their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the lessee, by a professional land surveyor registered in the State of Utah and to the standards and guidelines found in the manual of surveying instruction, U.S. Department of Interior.

21. The Lessee at his expense will be responsible to replace any surface water identified for protection, that may be lost or adversely affected by mining operations, with water from an alternate source in sufficient quantity and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, or other land uses.

22. The lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operation plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-LaSal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No.: 801-637-2817

who is the authorized representative of the Secretary of Agriculture.

United States
Department of
Agriculture

Forest
Service

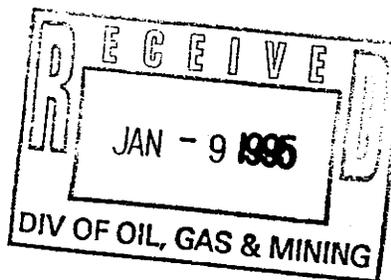
Manti-La Sal
National Forest

599 West Price River Dr.
Price, Utah 84501

Reply to: 2820

Date: January 6, 1995

Utah Coal Regulatory Program
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Attention: Pamela Grubaugh-Littig



RE: Addition of Federal Coal Lease UTU-64263, Star Point Mine, Cyprus Plateau
Mining Corporation, ACT/007/006, Folder #2, Carbon County, Utah

#3

Copy PAM

Dear Ms. Littig:

Cyprus Plateau Mining Corporation has adequately addressed our concerns in regard to addition of Federal Coal Lease UTU-64263 to the Star Point Mine Plan. We have determined that the mine plan is consistent with lease stipulations.

We hereby consent to approval of the mine plan and issuance of the mine permit in accordance with the Surface Mining Control and Reclamation Act of 1977 and associated regulations.

If you have any questions or need any additional information, please contact us at the Forest Supervisor's Office in Price, Utah.

Sincerely,

Deane H. Zeller
for

DEANE H. ZELLER
Acting Forest Supervisor

cc: C.Reed
D-3
Richard Holbrook, OSM

UT-0018



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

3482
(UTU-64263)
(U-065)

Moab District
P. O. Box 970
Moab, Utah 84532

SEP 19 1991

91-09-23-02

Mr. Richard Holbrook
Senior Project Manager
Office of Surface Mining
1020 15th Street
Denver, Colorado 80202

Re: Resource Recovery and Protection Plan (R2P2) for Federal Coal
Lease U-64263

The Bureau of Land Management (BLM) has reviewed the R2P2 submitted by Cyprus Plateau Mining Company (PMC) on September 9, 1991 for Federal coal lease UTU-64263. This correspondence provides our findings and recommendations regarding the R2P2.

Federal coal lease UTU-64263 was issued to Cyprus Western Coal Company on April 1, 1990 involving 1987.46 acres. During the leasing process, the area was referred to as the Castle Valley Ridge Tract. On July 10, 1991, the lease was modified by the addition of 50 acres to allow mining and prevent the bypass of Federal coal. The entire 2,037.46 acres is within the Manti-La Sal National Forest.

Underground development of coal on this lease is merely an extension of an existing operation and will not require construction of new surface facilities for access or coal processing. However, it is necessary to drive three rock slopes to the surface near the Little Park Stream to provide ventilation and escapeway portals. Development will involve longwall mining methods in one minable seam.

Deficiencies in the R2P2 were resolved directly with the company and it is now complete and technically accurate. The BLM has determined that the R2P2 is in compliance with the Mineral Leasing Act of 1920, as amended, the lease terms and conditions, and will achieve maximum economic recovery of Federal coal.

The BLM is extremely concerned that failure to approve the permit revision involving the subject lease by October 1, 1991 will result in the bypass of the Federal coal on the 50 acre modification.

If you have any questions, please contact Gary Johnson in the Price Coal Office at (801) 637-4584.

Sincerely yours,

William C. Stinger

Assistant District Manager
Mineral Resources

cc:
U-065c, Price Coal Office
U-921, Utah State Office
Utah Division of Oil, Gas, and Mining
335 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
Cyprus Plateau Mining Company
P. O. Drawer PMC
Price, Utah 84501



United States Department of the Interior

FISH AND WILDLIFE SERVICE

UTAH FIELD OFFICE
2060 ADMINISTRATION BUILDING
1745 WEST 1700 SOUTH
SALT LAKE CITY, UTAH 84104-5110

RECEIVED

FEB 04 1994

DIVISION OF
OIL, GAS & MINING

In Reply Refer To
(ES)

February 1, 1994

Pamela Grubaugh-Littig, Permit Supervisor
Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

ACT/007/006 #3

Dear Ms. Grubaugh-Littig:

Copy FAM

We have received your letter of January 14, 1994 concerning the issuance of a mining permit to Cyprus Plateau Mining Corporation for Federal Coal Lease UTU-64263.

The U.S. Fish and Wildlife Service (Service) advises that no listed or proposed threatened or endangered species are known to occur in the new coal lease area. Raptor surveys have been performed, locating one red-tailed hawk nest within the coal lease. Since no surface disturbance will be associated with mining of this lease there should be no impacts to the nest. Therefore, the Service concurs with issuance of the mining permit.

If you have any questions please contact Susan Linner, Fish and Wildlife Biologist, at (801)975-3630.

Sincerely,

Robert D. Williams
Assistant Field Supervisor



State of Utah

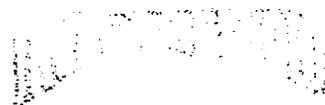
Department of Community & Economic Development
Division of State History
Utah State Historical Society



Michael O. Leavitt
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182
(801) 533-3500
FAX: (801) 533-3503

January 27, 1994



JAN 31 1994

DIVISION OF
OIL, GAS & MINING

ACT/007/006 # 3
Copy PAM

Pamela Grubaugh-Littig
Permit Supervisor
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Castle Valley Ridge Federal Lease (UTU-64263), Cyprus Plateau Mining Corporation, Star Point Mine, ACT/007/006, Folder #2, Carbon County, Utah

In Reply Please Refer to Case No. J343

Dear Ms. Grubaugh-Littig:

The Utah State Historic Preservation Office received the above referenced project on January 20, 1994. The report states that no cultural resources were located in the project area. We, therefore, concur with the report's recommendation that No Historic Properties will be impacted by the project.

This information is provided on request to assist the Division of Oil, Gas and Mining with its Section 106 responsibilities as specified in 36CFR800. If you have questions, please contact me at (801) 533-3555.

Sincerely,


James L. Dykman
Compliance Coordinator

JLD:J343 OSM

UNITED STATES

DEPARTMENT OF THE INTERIOR

This mining plan approval document is issued by the United States of America to:

Cyprus Plateau Mining Corporation
P.O. Box 1378
Price, Utah 84501

for the Star Point Mine mining plan modification for Federal lease UTU-64263 subject to the following conditions. Cyprus Plateau Mining Corporation is hereinafter referred to as the operator.

1. Statutes and Regulations.--This mining plan modification approval is issued pursuant to Federal lease UTU-64263; the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.); and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.). This mining plan modification approval is subject to all applicable regulations of the Secretary of the Interior which are now or hereafter in force; and all such regulations are made a part hereof. The operator shall comply with the provisions of the Water Pollution Control Act (33 U.S.C. 1151 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other applicable Federal laws.
2. This document approves the Star Point Mine mining plan modification for Federal lease UTU-64263, and authorizes coal development or mining operations on the Federal lease within the area of mining plan modification approval. This authorization is not valid beyond

Township 14 South, Range 7 East, Salt Lake Meridian

Sec. 34: Lots 3, 4, N1/2SE1/4

Township 15 South, Range 7 East, Salt Lake Meridian

Sec. 2: Lots 2-7 and 10-12, SW1/4, W1/2SE1/4

Sec. 3: Lots 1, 2 and 7-10, E1/2SE1/4, E1/2W1/2SE1/4

Sec. 10: E1/2E1/2, E1/2NW1/4NE1/4

Sec. 11: W1/2, W1/2E1/2

Sec. 14: NW1/4, NW1/4NE1/4

Sec. 15: E1/2E1/2NE1/4, E1/2E1/2SE1/4

Sec. 22: E1/2E1/2NE1/4NE1/4

as shown on the map appended hereto as Attachment A.

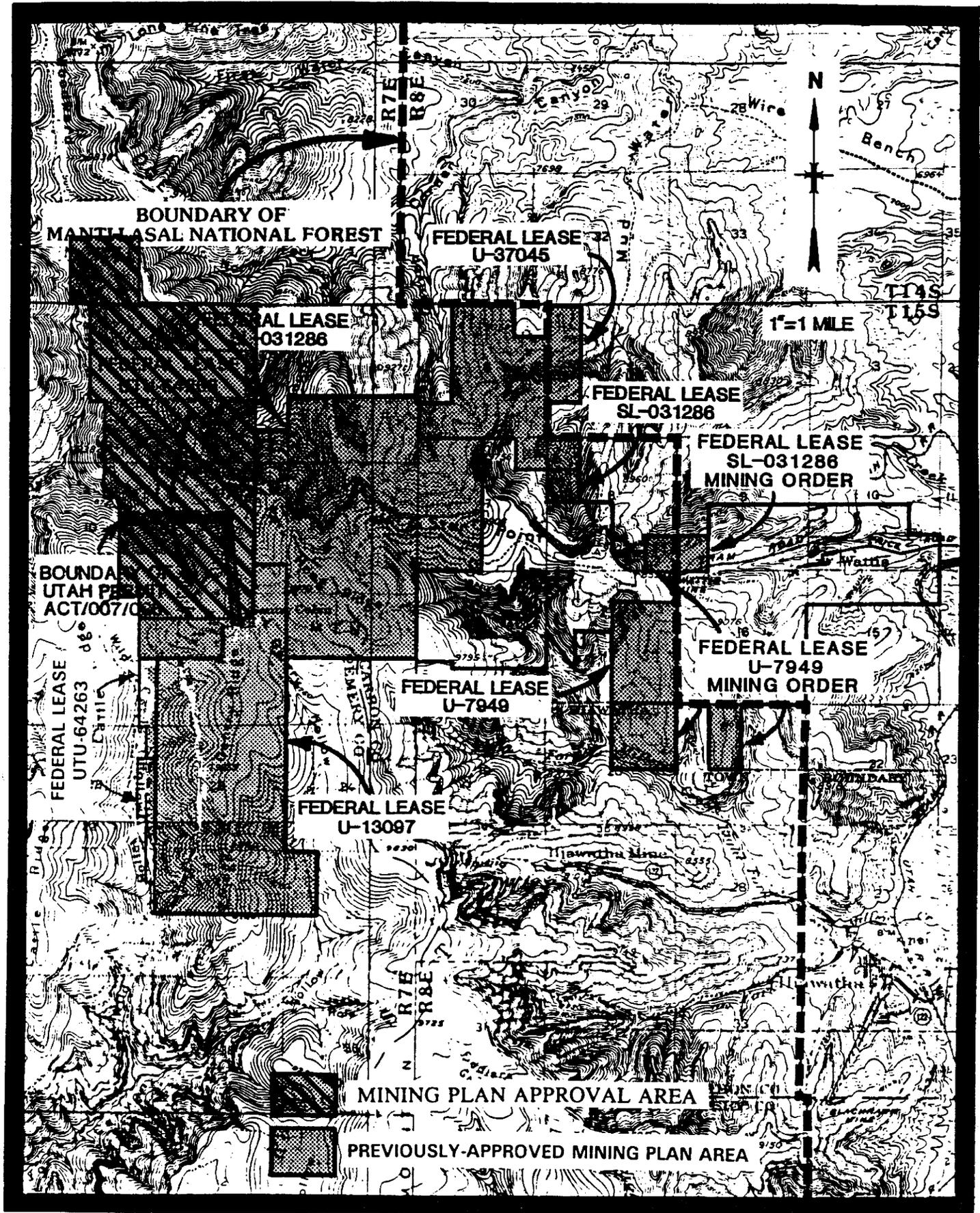
3. The operator shall conduct coal development and mining operations only as described in the complete permit application package, and approved by the Utah Division of Oil, Gas and Mining, except as otherwise directed in the conditions of this mining plan modification approval.
4. The operator shall comply with the terms and conditions of the lease, this mining plan modification approval, and the requirements of the Utah Permit No. ACT/007/006 issued under the Utah State program, approved pursuant to the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.).
5. This mining plan modification approval shall be binding on any person conducting coal development or mining operations under the approved mining plan and shall remain in effect until superseded, cancelled, or withdrawn.
6. If during mining operations unidentified prehistoric or historic resources are discovered, the operator shall ensure that the resources are not disturbed and shall notify Utah Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). The operator shall take such actions as are required by Utah Division of Oil, Gas and Mining in coordination with OSM.



Deputy Assistant Secretary, Land and Minerals Management

2/6/95

Date



Attachment A

**MINING PLAN APPROVAL AREA - STAR POINT MINE
CARBON AND EMERY COUNTIES, UTAH**

**UTAH DIVISION OF OIL, GAS, AND MINING
STATE DECISION DOCUMENT**

Cyprus Plateau Mining Corporation
Star Point Mine
Castle Valley Ridge Federal Lease UTU-64263
ACT/007/006
Carbon County, Utah

January 6, 1995

CONTENTS

- * Administrative Overview
- * Location Map
- * Permitting Chronology
- * Mine Plan Information
- * Findings
- * Permit
- * Environmental Assessments
- * Letters of Concurrence
 - Manti-LaSal Forest Service, dated January 6, 1995
 - Bureau of Land Management, dated September 19, 1991
 - U. S. Fish & Wildlife Service, dated April 6, 1993 & February 1, 1994
 - State Historic Preservation Office, dated January 27, 1994
 - 510(c) Memo, dated January 6, 1995
 - Protests Withdrawn, October 11, 1993 and March 4, 1994
- * Technical Analysis
- * Surety
- * Affidavit of Publication

ADMINISTRATIVE OVERVIEW

Cyprus Plateau Mining Corporation
Star Point Mine
Castle Valley Ridge Federal Lease UTU-64263
ACT/007/006
Carbon County, Utah

January 6, 1995

PROPOSAL

Cyprus Plateau Mining Corporation proposes to add Federal Lease UTU-64263 (approximately 2000 acres) to the current Star Point Mine permit area. Mining will be developed and undertaken in the Wattis Seam.

BACKGROUND

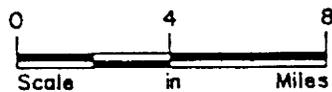
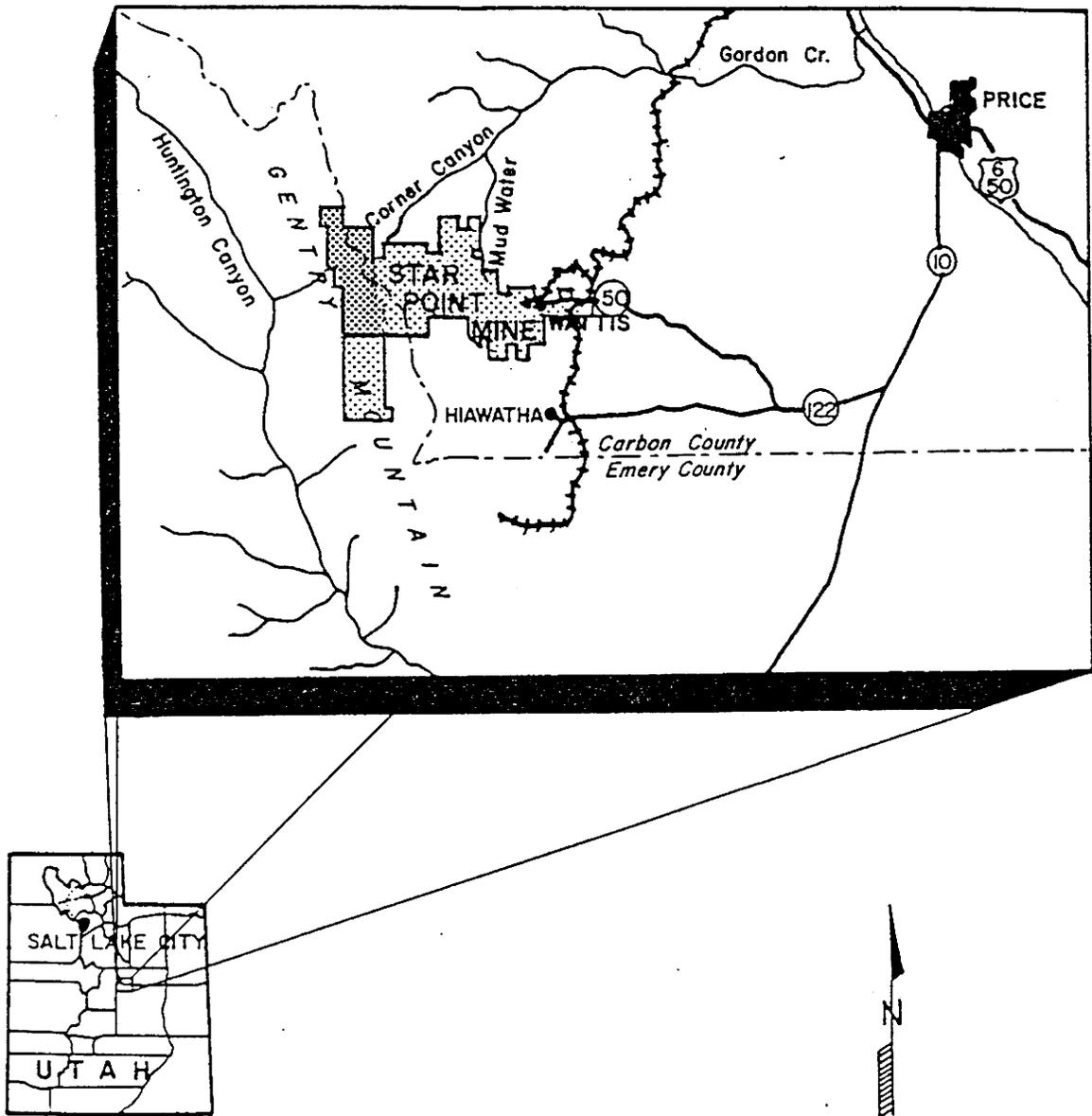
The original permit for the Star Point Mine was issued on January 28, 1987, and was renewed on January 28, 1992. A reclamation surety bond in the amount of \$5,180,000 is currently posted for reclamation at the Star Point Mine.

Cyprus Plateau Mining Corporation submitted an application for the entire Castle Valley Ridge Lease Area, approximately 2000 acres, in September 1991, with the permit renewal application. The original permit was renewed without approval of the Castle Valley Ridge Federal Lease. Three incidental boundary changes have been approved for this lease dated September 27, 1991, July 1, 1993, and January 13, 1994.

RECOMMENDATION

This proposal by Cyprus Plateau Mining Corporation to add 2,000 acres to the current permit area has been reviewed and approved by the Division and other state and federal agencies. It is recommended that this permitting action be approved.

Proposed Castle Valley Ridge Lease



(ENLARGED VIEW)

FIGURE 111a

LOCATION MAP

PLATEAU MINING COMPANY

CARBON & EMERY COS., UTAH

CHRONOLOGY

Cyprus Plateau Mining Corporation
Star Point Mine
Castle Valley Ridge Federal Lease UTU-64263
ACT/007/006
Carbon County, Utah

*	First IBC to UTU-64263 Submitted	03/05/91
*	First IBC Sent to Denver (DOGM Decision Package)	07/19/91
*	Division Receives Application with Renewal	09/17/91
*	First IBC Approved	09/27/91
*	Division Letter Clarifying PHC	02/06/92
*	Revised Probable Hydrologic Consequences Submitted	05/14/92
*	PHC Update Submitted	05/15/92
*	Division Reviews for Completeness	05/20/92
*	Division Review of PHC Sent	08/04/92
*	Review Comments from Division on	08/04/92
*	Determined Not Complete Letter Sent to CPMC	08/14/92
*	Response to Division re: PHC	09/26/92
*	PHC Review Response Received	09/28/92
*	Division Reviews Comments on Response to PHC Submitted 9/26/92	12/02/92
*	PHC Review Sent	12/03/92
*	Second IBC to UTU-64263 Submitted	01/11/93
*	Response to Division Review Comments on PHC Response	01/14/93
*	PHC Response Received	01/15/93
*	Determination of Completeness on Lease UTU-64263	03/01/93
*	Second IBC Sent to Denver (DOGM Decision Package)	03/12/93
*	PHC Division Review Sent	03/24/93
*	Division Review re: 1/14/93 Response to Division Comments	03/25/93
*	Protests Received on Completeness from Castle Valley Special Services District and Huntington Cleveland Irrigation Co.	05/01/93
*	Informal Conference Scheduled, Then Postponed	06/03/93
*	Third IBC to UTU-64263 Submitted	06/07/93
*	Second IBC Approved	07/01/93
*	Castle Valley Special Services District Withdraws Protest	10/11/93
*	Third IBC Sent to Denver	11/29/93
*	Third IBC Approved	01/13/94
*	Bond Increased	01/24/94
*	Technical Analysis Prepared for Castle Valley Ridge Lease	03/01/94
*	Huntington Cleveland Irrigation Company Withdraws Protest	03/04/94
*	Forward Subsidence Calculations to Forest Service from BLM	05/03/94
*	Permit Change - Forest Service Trail Hazard Evaluation	11/17/94
*	Forest Service Concurrence	01/06/95
*	Decision Document Sent to OSM-Denver	01/10/95

MINE PLAN INFORMATION

Mine Name: Star Point Mine State ID: ACT/007/006
 Operator: Cyprus-Plateau Mining Corporation County: Carbon
 Controlled By: Cyprus-AMAX Contact Person(s): Ben Grimes
 Position: Sr. Environmental Engineer Telephone: (801) 637-2875

New/Existing: Existing Mining Method: Longwall / Room and Pillar
 New Federal Lease No(s): SL-031286, U-7949, U-37045, U-13097, UTU-64263
(Castle Valley Ridge)

Legal Description(s): Pages 100-10 through 100-17 of the permit.
Section 1: SW1/4
Section 12: Lots 2-11, W1/2W1/2, NE1/4SW1/4

State Lease No. 22729 Legal Description: (See pages 1 and 2 of the permit)
 Other Leases: GL-20903, 288 (State Leases)

Legal Description: **UTU-64263**
T. 14 S., R. 7 E.,
 Section 34: Lots 3 and 4, N1/2SE1/4.
 161.63 Acres

T. 15 S., R. 7 E.,
 Section 2: Lots 2-7 and 10-12, SW1/4 W1/2SE1/4;
 Section 3: Lots 1-1 and 7-10, E1/2SE1/4, E1/2W1/2SE1/4;
 Section 10: E1/2E1/2, E1/2NW1/4NE1/4
 Section 11: W1/2, W1/2E1/2
 Section 14: NW1/4, NW1/4NE1/4
 Section 15: E1/2E1/2NE1/4
 1,987.46 Acres

Ownership Data:

<u>Surface Resources (acres):</u>	<u>Existing Permit Area</u>	<u>Proposed Permit Area</u>	<u>Total Life Of Mine Area</u>
Federal	<u>4848.38</u>	<u>2097.46</u>	<u>6945.34</u>
State	<u>640</u>	<u>None</u>	<u>640</u>
Private	<u>1473</u>	<u>None</u>	<u>1473</u>
Other	<u> </u>	<u>None</u>	<u> </u>
TOTAL	<u>6961.38</u>	<u>2097.46</u>	<u>9058.84</u>

Coal Ownership (acres):

Federal	<u>4848.38</u>	<u>2097.46 *</u>	<u>6945.84</u>
State	<u>720</u>	<u>None</u>	<u>720</u>
Private	<u>1413</u>	<u>None</u>	<u>1413</u>
Other	<u> </u>	<u>None</u>	<u> </u>
TOTAL	<u>6981.38</u>	<u>2097.46</u>	<u>9078.84</u>

TOTAL DISTURBED ACRES: 173.76 with Air Shaft

FINDINGS

Cyprus Plateau Mining Corporation
Star Point Mine
Castle Valley Ridge Federal Lease UTU-64263
ACT/007/006
Carbon County, Utah

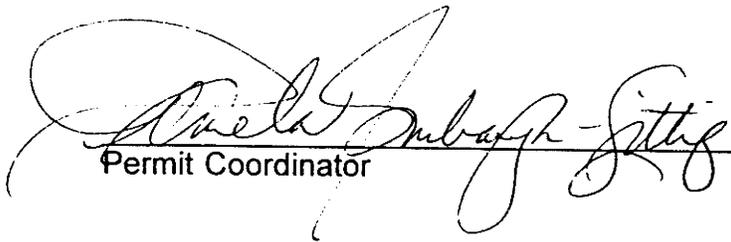
January 6, 1995

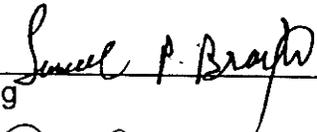
1. The revised plan and the permit application are accurate and complete and all requirements of the Surface Mining Control and Reclamation Act, and the approved Utah State Program (the "Act") have been complied with (R645-300-133.100). (See TA dated January 6, 1995.)
2. No additional surface reclamation is required since the additional permit area will be mined as an underground extension of the existing mine. There will be no new surface facilities (R645-300-133.710).
3. An assessment of the probable cumulative impacts of all anticipated coal mining and reclamation activities in the general area on the hydrologic balance has been conducted by the Division and no significant impacts were identified. The Mining and Reclamation Plan (MRP) proposed under the application has been designed to prevent damage to the hydrologic balance in the permit area and in associated off-site areas (R645-300-133.400 and UCA 40-10-11 {2}{c}). (See Gentry Mountain CHIA, updated 1994.)
4. The proposed lands to be included within the permit area are:
 - a. Not included within an area designated unsuitable for underground coal mining operations (R645-300-133.220);
 - b. not within an area under study for designated lands unsuitable for underground coal mining operations (R645-300-133.210);
 - c. not on any lands subject to the prohibitions or limitations of 30 CFR 761.11 {a} (national parks, etc.), 761.11 {f} (public buildings, etc.) and 761.11 {g} (cemeteries);
 - d. not within 100 feet of the outside right-of-way of a public road (R645-300-133.220); and
 - e. not within 300 feet of any occupied dwelling (R645-300-133-220).
5. The Division's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800 and R645-300-133.600). (See attached letter from State Historic Preservation Officer (SHPO) dated January 27, 1994.)

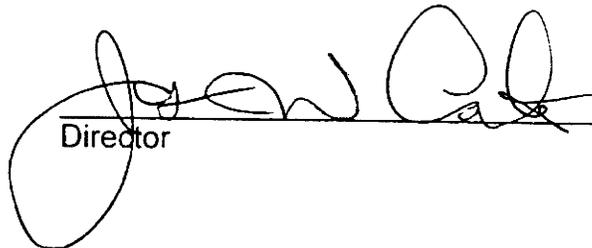
6. The applicant has the legal right to enter and complete mining activities in Lease UTU-64263 issued by the Bureau of Land Management. See letter from BLM dated September 19, 1991. (R645-300-133.300).
7. A 510(c) report has been run on the Applicant Violator System (AVS), which shows that: prior violations of applicable laws and regulations have been corrected; neither Cyprus Plateau Mining Corporation or any affiliated company, are delinquent in payment of fees for the Abandoned Mine Reclamation Fund; and the applicant does not control and has not controlled mining operations with demonstrated pattern of willful violations of the Act of such nature, duration, and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of the Act (see memo from Pamela Grubaugh-Littig dated January 6, 1995) (R645-300-133.730).
8. Underground mining operations to be performed under the permit will not be inconsistent with other operations anticipated to be performed in areas adjacent to the proposed permit area.
9. The applicant has posted a reclamation performance bond in the amount of \$5,180,000 made payable to the Division and the Office of Surface Mining, Reclamation and Enforcement (OSM).
10. No lands designated as prime farmlands or alluvial valley floors occur on the permit area (R645-302-313.100 and R645-302-321.100).
11. The proposed postmining land-use of the permit area is the same as the pre-mining land use and has been approved by the Division and the surface land management agency, the United States Forest Service.
12. The Division has made all specific approvals required by the Act, the Cooperative Agreement, and the Federal Lands Program.
13. The proposed operation will not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habitats (R645-300-133.500). (See letter from U. S. Fish and Wildlife Service dated February 1, 1994.)

14. All procedures for public participation required by the Act, and the approved Utah State Program have been complied with (R645-300-120).
15. No existing structures will be used in conjunction with mining of the underground right-of-way, other than those constructed in compliance with the performance standards of R645-301 and R645-302 (R645-300-133.720).


Permit Supervisor


Permit Coordinator


Associate Director, Mining


Director

FEDERAL

PERMIT
ACT/007/006

January 6, 1995

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

This permit, ACT/007/006, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining ('Division') to:

Cyprus Plateau Mining Corporation
P.O. Drawer PMC
Price, Utah 84501
(801) 637-2875

for the Star Point Mines. A Surety Bond is filed with the Division in the amount of \$5,180,000, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement ('OSM'). The Division must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA** - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Star Point Mines situated in the state of Utah, Carbon County, and located in:

Township 14 South, Range 7 East, SLB&M

Section 34: Lots 3, 4, N1/2 SE1/4

Township 15 South, Range 7 East, SLB&M

- Section 1: S1/2;
Section 2: Lots 2 through 7, 10 through 12, SW1/4, W1/2SE1/4
Section 3: Lots 1,2, 7 through 10, E1/2SE1/4, E1/2W1/2SE1/4
Section 10: E1/2E1/2, E1/2NW1/4NE1/4;
Section 11: All;
Section 12: All;
Section 13: N1/2;
Section 14: All;
Section 15: E1/2E1/2NE1/4, E1/2E1/2SE1/4
Section 22: E1/2E1/2NE1/4NE1/4, Parts of E1/2SE1/4NE1/4, Parts of E1/2NE1/4SE1/4, Parts of E1/2SE1/4NE1/4;
Section 23: All;
Section 25: W1/2NW1/4;
Section 26: N1/2;
Section 27: Parts of E1/2E1/21/2NE1/4NE1/4.

Township 15 South, Range 8 East

Section 5: Lots 4, 5, 12, NW1/4 SW1/4;
Section 6: Lots 2, 3, 6, 7, 8, 10, 11, 14, E1/2 SW1/4, SE1/4;
Section 7: All;
Section 8: W1/2 NW1/4, SW1/4, SE1/4 SE1/4, S1/2 SE1/4;
Section 9: SW1/4 SW1/4, E1/2 SW1/4, SE1/4;
Section 10: SW1/4, W1/2 SE1/4, SE1/4 SE1/4;
Section 15: N1/2 N1/2;
Section 16: All;
Section 17: E1/2, NW1/4, NW1/4 SW1/4 North of the Right Fork North
Fork Miller Creek;
Section 18: N1/2, N1/2 SE1/4, NE1/4 SW1/4, N1/4 NW1/4 SW1/4
Section 20: NE1/4;
Section 21: E1/2 NW1/4.

This legal description is for the permit area of the Star Point Mines. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

- Sec. 3** **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4** **PERMIT TERM** - This permit expires on January 27, 1997.
- Sec. 5** **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.
- Sec. 6** **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials and without delay to:
- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;

- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by a private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature of noncompliance and the results of the noncompliance;
- (b) Immediate implementation of measures necessary to comply; and
- (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) Utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

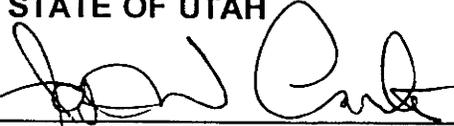
- Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.), and the Clean Air Act (42 USC 7401 et seq.), UCA 26-11-1 et seq., and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas with the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If, during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.
- Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with this permitting action, as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may

ACT/007/006
Permit
January 6, 1995
Page 5

amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: 

Date: Jan 11, 1995

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

PERMITTEE

Authorized Representative of
the Permittee

Date

ATTACHMENT A

Special Conditions

1. The permittee must drill horizontally ahead of the advance of the mains in a westerly direction toward the fault zone. If water is encountered during drilling in excess of the amounts anticipated in the PHC and CHIA, Cyprus Plateau Mining Corporation must cease driving entries to the west and contact the responsible officials of the Division of Oil, Gas and Mining, the Bureau Land Management, and the Forest Service. Further advance of the entries to the west will not be authorized unless the operator can demonstrate that significant impacts to the ground water will not occur.
2. This permit becomes effective when the mining plan approval for Lease UTU-64263 has been authorized by the Secretary of the Interior.

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TECHNICAL ANALYSIS

For The Castle Valley Ridge Lease Star Point Mine ACT/007/006

January 6, 1995

ENVIRONMENTAL RESOURCE INFORMATION

VEGETATION RESOURCE INFORMATION

Regulatory Reference: R645-301-321

95-01-30-10

Analysis:

Permit Area Vegetation Map, 321.100a, delineates the vegetative communities within the Castle Valley Lease Tract. Species list by vegetation type are included in Table 321.100c, page 300-5. In addition to this vegetation information, the mining and reclamation plan includes Color-Infrared photography from the United States Forest Service of the permit area (page 500-29a) as baseline information. The permittee has assisted financially with this study.

Findings:

The vegetation resource information in the plan is acceptable and found to be complete and technically adequate.

FISH AND WILDLIFE RESOURCE INFORMATION

Regulatory Reference: R645-301-322

Analysis:

Map 322.220a, Wildlife Habitat Type, delineating fish and wildlife information, includes the area of the Castle Valley Ridge. The Castle Valley Ridge area is designated as high priority elk winter range. There is only one nest shown in the area, a redtail hawk nest in an aspen tree. Table 322.200a, b, and on pages 300-66 through 300-79 list the mammals, birds, reptiles and amphibians that are likely to occur within the permit area. Annual raptor surveys have been conducted by

the permittee and the Division of Wildlife Resources. This nest activity status is summarized in Table 322.200f, page 300-89.

Hymenoxys helenoides, is considered by the Forest Service to have sensitive status. Forest Service reported a population of H. helenoides in Nuck Woodward Canyon. However, a site survey did not locate this population. No other plant species of special status is known to occur in the Castle Valley Ridge area (page 300-59).

The bald eagle is a rare winter resident of this region. There is a possibility that trees in the area would be utilized for roosting (page 300-89).

Baseline data for macroinvertebrates in Nuck Woodward Creek will be reported in the 1993 and 1994 annual report.

Findings:

The fish and wildlife resource information in the plan is acceptable and found to be complete and technically adequate.

OPERATION PLAN

VEGETATION AND FISH AND WILDLIFE INFORMATION

Regulatory Reference: R645-301-330

Analysis:

No surface disturbance is proposed within the Castle Valley Ridge lease area. Therefore, the only expected impacts to fish, wildlife or vegetation would be from subsidence. The permittee has committed to mitigation or replacement of any material damage caused by subsidence (page 500-29). Although no resource damage is expected from subsidence, monitoring of vegetation, macroinvertebrates and raptors will verify this position. The permittee has committed to annual raptor surveys and to report the results of such surveys (page 300-89). No identified nests are within the subsidence zone of mining activities within the Castle Valley Ridge lease area.

Nuck Woodward Stream will be monitored for macroinvertebrates according to the schedule shown in Table 322.220b, page 300-101. The intent of the monitoring is to assess if subsidence has increased sediment loading on the stream. No mining is to occur under the stream area itself. The intermittent stream channel of Little Park Canyon will also not be undermined. (page 500-29).

The effects of subsidence on vegetation will be assessed by Color-Infrared photography. The photography is done every five years and reports submitted to the U.S. Forest Service and the Division (page 500-29a).

Findings:

The vegetation and fish and wildlife information in the plan is adequate and found to be complete and technically adequate.

Certifications

Regulatory Reference: R645-301-512

Analysis:

The maps which have been revised for the Castle Valley Ridge lease tract are Map 112.500a--Surface Ownership, Map 112.500b--Coal Ownership, Map 222.100a--Permit Area Soils Map, Map 321.100a--Permit Area Vegetation Map, Map 322.220a--Wildlife Habitat Type, Map 521.121f--Subsidence Monitoring Plan, Map 521.121g1--Subsidence Monitoring Plan, Map 624.110Xb--Geologic Cross Section b-b', Map 722.100c--1993 Piezometric Surface, Map 728a--Regional Hydrology, Map 728b--Gentry and Castle Valley Ridge Mine Inflows and Stream Inventory Locations, and Map 722.100c--1993 Piezometric Surface.

Of the maps listed above, only Maps 112.500a, 112.500b, 624.110Xb, 722.100c, 728a, 728b, and 722.100c require certification by a registered professional engineer or land surveyor. These maps have the required certification.

Findings: The application fulfills the requirements of this section.

COMPLIANCE WITH MSHA REGULATIONS AND MSHA APPROVALS

Regulatory Reference: R645-301-513

Analysis:

The entire Castle Ridge Valley lease tract will be accessed underground through the existing mine. There are, therefore, no coal processing waste dams and embankments, sedimentation ponds, impoundments, spoil or waste disposal facilities, refuse piles, discharges into underground facilities, surface coal mining activities, or coal mine waste fires associated therewith, which require regulation and approval by MSHA.

No surface facilities or proposed with this lease addition.

Findings: The application fulfills the requirements of this section.

CROSS SECTIONS AND MAPS

Regulatory Reference: R645-301-521

Analysis:

The maps which have been revised for the Castle Valley Ridge lease tract are Map 112.500a--Surface Ownership, Map 112.500b--Coal Ownership, Map 222.100a--Permit Area Soils Map, Map 321.100a--Permit Area Vegetation Map, Map 322.220a--Wildlife Habitat Type, Map 521.121f--Subsidence Monitoring Plan, Map 521.121g1--Subsidence Monitoring Plan, Map 624.110Xb--Geologic Cross Section b-b', Map 722.100c--1993 Piezometric Surface, Map 728a--Regional Hydrology, Map 728b--Gentry and Castle Valley Ridge Mine Inflows and Stream Inventory Locations, and Map 722.100c--1993 Piezometric Surface.

These maps have all been revised to show the anticipated mine layout, the surface and subsurface ownership, the surface configuration, the geology, the anticipated surface facilities, and the subsidence monitoring system associated with the new lease tract. As the entire Castle Valley Ridge lease tract is underground, the rest of the mining operation remains as it is represented in the approved plan.

Findings: The application fulfills the requirements of this section.

COAL RECOVERY

Regulatory Reference: R645-301-522

Analysis:

The permittee is committed to maximum coal recovery. Mining in the Castle Valley Ridge lease tract will be done mainly by longwall methods, which allow for the highest coal recovery rates of any available technology. Continuous mining machinery will be used to create permanent pillars beneath Little Park Channel and, of course, to do the entry development work for the longwall panels. Pillars will be recovered in continuous miner sections wherever possible. Using these methods, the permittee expects to reach an overall net coal recovery rate of approximately 75%.

A Resource Recovery and Protection Plan (R2P2) was approved by the BLM in September of 1991 and modified in November of 1992 to allow for increased production. The modified R2P2 allows for a raw production rate of 3 million tons per year through the year 2000, after which the production rate will drop to 700,000 tons per year for the remaining 10 years of anticipated mine life.

Location in Plan: Pages 500-7 through 500-13.

Findings: The application fulfills the requirements of this section.

MINING METHOD(S)

Regulatory Reference: R645-301-523

Analysis:

Mining in the Castle Valley Ridge lease tract will be done mainly by longwall methods, which provide the highest coal recovery rates of any available technology. Continuous mining machinery will be used to create permanent pillars beneath Little Park Channel, and, of course, to do the entry development work for the longwall panels.

Location in Plan: Pages 500-8 through 500-14.

Findings: The application fulfills the requirements of this section.

SUBSIDENCE

Regulatory Reference: R645-301-525

Analysis:

The permittee has performed a subsidence survey of the surface area, as required by this section. The land is used mainly for cattle grazing and wildlife habitat, and somewhat less for recreation. There are several natural springs. The only manmade structure in the area which could be adversely affected by subsidence is an unimproved U.S. Forest Service road, and this the permittee has committed to repair in the event that it is damaged by subsidence.

To measure subsidence, the permittee will extend the present network of monitoring points to cover the area of the lease tract. The placement of subsidence monitoring points is shown on Maps 521.121f and 521.121g1. The coal in the lease tract will be cut east to west, figuratively speaking, into two large blocks. The northern block will be crossed from east to west by a line of monitoring points. The southern block will also be crossed from east to west by a line of monitoring points, while another line of monitoring points will extend northward from about the midpoint of the southern edge of the block to join this line near its midpoint. Several lines of monitoring points also extend and will extend east to west from the potential subsidence zone into Nuck Woodward Canyon. All monitoring points will be placed at 200-foot intervals.

The permittee has had concern about the possible deleterious effect of subsidence on Little Park Channel, which crosses the lease tract area in an east-to-west direction, and on Nuck Woodward Canyon, which parallels the western boundary of the area. The permittee is particularly concerned about Nuck Woodward Canyon because a perennial stream flows there.

To prevent damage to Little Park Channel, the permittee will leave a large barrier pillar beneath the channel to prevent subsidence from occurring above the entries which will be located there. This barrier pillar was designed to have a minimum static safety factor of 2.04 using a 26° angle of draw, which is the largest angle of draw encountered during previous mining in this area.

To prevent damage to the perennial stream in Nuck Woodward Canyon, the permittee has designed the placement of mine workings so that subsidence, projected upward using the conservative 26° angle of draw, will fall several hundred feet short of the stream channel. If this precaution proves inadequate and subsidence approaches too near the stream channel, as measured by the movement of the surface monitoring points, mining in a westerly direction will be stopped.

The permittee also commits to the mitigation, in general, of subsidence damage. Where cracks or fissures occur which injure or endanger livestock, the permittee will repair the crack or fissure and reimburse the livestock owner for the lost livestock. Where groundwater sources are damaged or impaired by subsidence, the permittee will either directly repair and rehabilitate the water source or else develop an alternative water source in the same area. The mitigation of damage to groundwater sources is treated more fully in Section 700 of the plan

Subsidence information is found on pages 500-16 through 500-32, Map 521.121f, and Map 521.121g1.

Findings: The application fulfills the requirements of this section.

MINE FACILITIES

Regulatory Reference: R645-301-526

Analysis:

There will be no surface facilities above the Castle Valley Ridge lease tract. The coal will be accessed through the existing underground mine.

Findings: The application fulfills the requirements of this section.

TRANSPORTATION FACILITIES

Regulatory Reference: R645-301-527

Analysis:

No roads or transportation facilities are proposed to be constructed with the Castle Valley Ridge Tract.

Findings: The application fulfills the requirements of this section.

HANDLING AND DISPOSAL OF COAL, OVERBURDEN, EXCESS SPOIL, AND COAL MINE WASTE

Regulatory Reference: R645-301-528

Analysis:

The entire Castle Valley Ridge lease tract operation will be underground. There are, therefore, no disposal facilities for coal, overburden, excess spoil, noncoal mine waste, or coal mine waste associated therewith.

Findings: This section is not applicable to the application.

MANAGEMENT OF MINE OPENINGS

Regulatory Reference: R645-301-529

Analysis:

The entire Castle Valley Ridge lease tract operation will be underground. There are, therefore, no breakouts or other mine entries associated therewith.

Findings: The application fulfills the requirements of this section.

ROADS

Regulatory Reference: R645-301-534

Analysis:

No roads or transportation facilities are proposed to be constructed with the Castle Valley Ridge Tract.

Findings: The application fulfills the requirements of this section.

GEOLOGIC INFORMATION

CHEMICAL ANALYSES OF STRATA IMMEDIATELY ABOVE & BELOW THE COAL SEAM TO BE MINED

Regulatory Reference: R645-301-624.210 through R645-301-624.330

Analysis:

The permittee's proposal to assess the acid- or toxic forming or alkalinity producing potential for the strata immediately above and below the coal seam within the Castle Valley Ridge Lease Tract may be located on page Confidential 16, Volume VII and reads as follows: *As mining progresses into the Castle Valley Ridge area, additional roof, floor and split rock samples will be analyzed for the toxic forming/acid forming potential according to the parameters list shown on page Confid 17. Sites for these samples are shown on Map 116. 100c Mine Plan, Wattis Seam, as solid hexagon with no number. Four sample locations are anticipated to characterized the material. This material ultimately becomes coal processing waste deposited in the refuse pile.*

Findings:

The permittee's commitment to chemically analyze the strata immediately above and below the coal seam to be mined is adequate to fulfill the requirements of R645-301-624.220 & 320.

The permittee must submit to the Division upon receipt analytical results from the aforementioned roof, floor and mid seam sample collection.

If determined to be necessary to protect the hydrologic balance or the meet the performance standards of R645-301 and R645-302, the Division may require the collection, analysis and description of geologic information in addition to that required by R645-301-624.

HYDROLOGIC INFORMATION

Regulatory Reference: R645-301-729

Analysis:

The Operator has provided the necessary supporting information to describe the impacts to the hydrologic balance and the potential for impacts outside the permit area. The operator has minimized impacts to the hydrologic balance inside the permit area. Any impacts have been described in the PHC and are currently being monitored and will continue to be monitored for as long as wells are accessible underground. These impacts can be described as a redistribution of ground water from the aquifers above and below the coal seam which is drained into current mine workings and then pumped to abandoned mine workings. This intercepted ground water is pumped across the Bear Canyon Graben to old mine works. The range in-mine pumping rates is from 800 to 1300 gpm at the "Graben Goose" flow meter, a central pumping point. A graph of these flows is found in Exhibit 728a in the PAP

The most significant inflows as of October 1993, within the Gentry Ridge area, are found in the southern extent of the mine workings. As the mine progresses in a southerly direction beneath Gentry Ridge, mining continues to dewater the ground water found in fractures immediately above the mine. No mining-related impacts to the hydrologic balance outside the permit area have been substantiated to

date. All potentially-impacted resources have been described, and the sampling schedule is summarized in Table 731.211a and the sampling sites are as shown on Map 722.200a. Water levels and water quality data is included in the Annual Hydrologic Summary Reports for six surface wells and from seven in-mine wells. A summary of the data used in the analysis of the local water table is shown in Table 728c, pages 700-80 and 700-81 of the PAP.

In regard to the Castle Valley Ridge Lease UTU-64263, two wells were drilled to confirm the location of the water table in relation to the coal seam. Well 92-10-1 was drilled in Little Park Canyon and was completed in the upper 35 feet of the Star Point Sandstone. The water table in this well was found in the Star Point Sandstone well below the Wattis coal seam (mineable coal seam in this lease). The second Well P-91-01-WD was drilled in-mine to a depth of 144 feet below the coal on October 1, 1993 and as of October 19, 1993 this well was found to be dry. This has confirmed the previously collected data for water levels and confirmed the data collected from Well 92-01C-WD. Additionally, as the mine progresses, the permittee has committed to drilling two additional wells into the Star Point Sandstone, in the Castle Valley Ridge Lease, to monitoring long term changes to the hydrologic balance in the permit area, and to verifying water levels to the north. These locations are shown on Map 728b and commitment to drill these are found on page 700-82.39 of the PAP. P92-02-WD and P92-04-WD will be left as in-mine monitoring wells. The surface well, 86-26-6, at the south end of gentry ridge will be used to monitor long term impact following mine closure.

Findings:

The operator has provided an adequate assessment of the Probable Hydrologic Consequences on the quality and quantity of surface and ground water under seasonal flow conditions for the proposed expansion into lease UTU-64263. After an analysis of all baseline hydrologic, geologic, and other information found in the PAP, the division concludes that the proposed coal mining operation and reclamation activities have been designed to prevent material damage to the hydrologic balance outside the permit area.

RECLAMATION PLAN

Casing and Sealing of Underground Openings

Regulatory Reference: R645-301-551

Analysis:

During the exploration of the Castle Valley Ridge Lease, one drill hole (92-10-1) was completed as a ground water monitoring well. This well will continue to be monitored until during final reclamation it will be plugged. The operator has committed to plug all monitoring wells from bottom to top at final reclamation.

Findings: The application fulfills the requirements of this section.

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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

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3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

January 6, 1995

TO: File

FROM: Pamela Grubaugh-Littig, Permit Coordinator *PGL*

RE: Compliance Review for Section 510 (c) Findings, Star Point Mine, Cyprus Plateau Mining Corporation, ACT/007/006, Folders #3 and #5, Carbon County, Utah

As of the writing of this memo, there is an "issue" recommendation from the Applicant Violator System for ACT/007/006. As of the writing of this letter, there are no violations or cessation orders which are not corrected or in the process of being corrected.

There are no finalized Civil Penalties which are outstanding and overdue in the name of Cyprus Plateau Mining Corporation. Cyprus Plateau Mining Corporation does not have a demonstrated pattern of wilful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Permit No : ACT007006 Committee : 060102(CYPRUS PLATEAU MINING CORP) Applicant : 060102(CYPRUS PLATEAU MINING CORP)	Appl No : ACT007006 Seqno : 0
---	----------------------------------

SYSTEM : D (DENY)	Date : 01/06/95	Mode : VIEW
Reason : 0 AML, 0 AUD, 0 CMIS, 0 FORF, 0 STATE VIOLATION(S)		

OSMRE : I (ISSUE)	Date : 10/18/94	Mode : VIEW
Reason : nrsp abated		

FO :	Date :	Mode : VIEW
Reason :		

SRA :	Date : 01/06/95	Mode : UPDATE
Reason :		

SAVE(F5) DELETE(F8)
 PRV_SCR(F3) QUIT(F4) CHOICES(F10)

■ avsdg

Permit No : ACT007006 Committee : 060102(CYPRUS PLATEAU MINING CORP) Applicant : 060102(CYPRUS PLATEAU MINING CORP)	Appl No : ACT007006 Seqno : 0
---	----------------------------------

SYSTEM : D (DENY)	Date : 01/06/95	Mode : VIEW
Reason : 0 AML, 0 AUD, 0 CMIS, 0 FORF, 0 STATE VIOLATION(S)		

OSMRE : I (ISSUE)	Date : 10/18/94	Mode : VIEW
Reason : nrsp abated		

FO :	Date :	Mode : VIEW
Reason :		

SRA :	Date : 01/06/95	Mode : UPDATE
Reason :		

SAVE(F5) DELETE(F8)
 PRV_SCR(F3) QUIT(F4) CHOICES(F10)

■ avsdg

Castle Valley
File JPB
PBZ

CASTLE VALLEY SPECIAL SERVICE DISTRICT

P.O. BOX 877
CASTLE DALE, UTAH 84513
TELEPHONE (801) 381-5333

October 11, 1993

DORR W. HANSON
Chairman
DARREL V. LEAMASTER
Manager

Utah Dept of Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

ACT/007/006 #3

RECEIVED

OCT 14 1993

Attn: James W. Carter, Director

Re: Cyprus Plateau Mining
Castle Valley Ridge Lease Application
UTU-64263 Cause No ACT/007/006

DIVISION OF
OIL, GAS & MINING

Gentlemen:

On April 23, 1993, the Castle Valley Special Service District filed a protest with the Division of Oil, Gas and Mining on the above referenced Lease Application by Cyprus Plateau Mining Company.

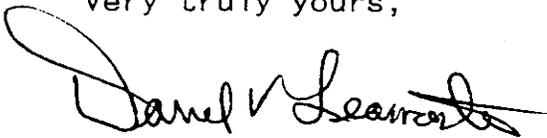
At this time the Castle Valley Special Service District wishes to formally withdraw its protest against Cyprus Plateau in connection with its Lease Application No. UTU-64263 in Cause No. ACT/007/006. We are pleased to announce that Cyprus Plateau Mining Company and the Castle Valley Special Service District have signed a mitigation agreement that covers Plateau's mining effects in the area and the possible impacts to our Tie Fork Wells. This agreement has taken several months time to negotiate, but is now signed and adopted. We feel that our interests have been sufficiently protected and we can now withdraw our protest.

Cyprus Plateau has been very helpful and co-operative throughout this whole process. They have been willing to share data and information that they have collected and have been willing to accept responsibility for the possible impacts that they might have on our water system and on the overall environment. We have been pleased with their attitude and would hope that other mining companies operating in the area would follow their example.

Cyprus Plateau Mining
Castle Valley Ridge Lease Application
UTU-64263 Cause No ACT/007/006
October 11, 1993
Page 2

We appreciate DOGM's continued concern and involvement with protecting our vital water supplies. If you have any questions about the withdrawal of our protest please contact us.

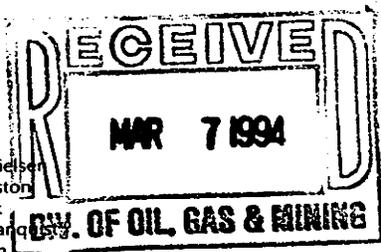
Very truly yours,

A handwritten signature in black ink, appearing to read "Darrel V. Leamaster". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Darrel V. Leamaster, P.E.
District Manager

cc: Cyprus Plateau Mining Corp.

Gen [unclear]



NIELSEN & SENIOR

Attorneys & Counselors
Since 1882

*Route to Jac ✓
JPS ✓
PCJ ✓
orig. mine file*

Arthur H. Nielsen
Gary A. Weston
Earl Jay Peck
Harold A. Rang
Neil R. Sabin
R. Dennis Ickes*
Harold C. Verhaaren
Mark H. Anderson*
B. Kent Ludlow
Richard M. Hymas
John K. Mangum
Richard K. Hincks
Noel S. Hyde
Robert P. Faust
J. Craig Smith*
Jay R. Mohlman
David B. Hartvigsen*
Marilynn P. Fineshriber
Steven F. Allred^o
Patricia L. LaTulippe

Suite 1100, Eagle Gate Plaza & Office Tower
60 East South Temple, Salt Lake City, Utah 84111
Post Office Box 11808, Salt Lake City, Utah 84147
Telephone: (801) 532-1900 - Telecopier (801) 532-1913

A Professional Corporation
Edwin W. Senior (1862-1925)
Clair M. Senior (1901-1965)
Of Counsel
Raymond T. Senior
Milton J. Morris

Also Licensed to Practice in
o Arizona
* California
‡ Colorado
X Idaho
† Navajo Bar
O New Mexico
• Washington, D.C.

March 4, 1994

James W. Carter, Esq., Director
Division of Oil, Gas & Mining
Department of Natural Resources
State of Utah
355 West North Temple
III Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Protest to Application for
Federal Coal Lease UTU-64263

Dear Jim:

This letter will advise you that Huntington-Cleveland Irrigation Company and Cyprus Plateau Mining Company have entered into an agreement. This agreement addresses mitigation of impact by Cyprus Plateau's mining activity under lease UTU-64263 on water rights of Huntington-Cleveland. In reliance on Cyprus-Plateau's faithful performance of its obligations under the agreement, Huntington-Cleveland withdraws its protest to Lease UTU-64263 which was filed on March 23, 1993.

If you have any questions or concerns regarding this letter, please feel free to contact me.

Yours truly,

J. Craig Smith

cc: Huntington-Cleveland
Board of Directors
cc: Brent Rose, Esq.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

February 11, 1994

Mr. Ben Grimes
Cyprus Plateau Mining Corporation
P.O. Box PMC
Price, UT 84501

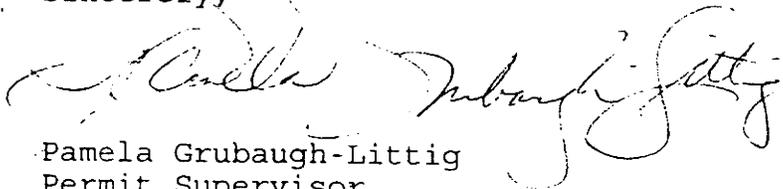
Re: Approval of Increased Bond Amount, Cyprus Plateau Mining Corporation, Star Point Mine, ACT/007/006-94A, Folder #3, Carbon County, Utah

Dear Mr. Grimes:

The revised reclamation cost estimate, submitted January 24, 1994, has been reviewed and is approved. Please increase the amount of the current bond for the Star Point Mine to \$5,180,000. This bond must be increased prior to the issuance of the permit for the Castle Valley Ridge Lease addition.

If you have any questions, please call me.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

pgl

cc: Bill Malencik, PFO



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

March 1, 1993

Mr. Ben Grimes
Cyprus Plateau Mining Corporation
P. O. Drawer PMC
Price, Utah 84501

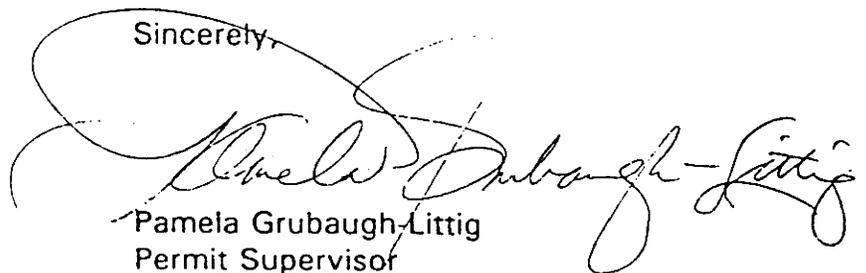
Dear Mr. Grimes:

Re: Determination of Completeness, Castle Valley Ridge Federal Lease Addition (UTU-64263), Cyprus Plateau Mining Corporation, Star Point Mine, ACT/007/006, Folder #3, Carbon County, Utah

The Mining and Reclamation Plan (MRP) for the Castle Valley Ridge Federal Lease Addition (UTU-64263) has been determined administratively complete.

Upon receipt of this letter, Cyprus Plateau Mining Corporation must publish an advertisement in the Sun Advocate and the Newspaper Agency Corporation providing all information as required under R645-300-121.100. A notarized Proof of Publication should be sent to the Division following the consecutive four-week advertisement period.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

jbe

cc: Robert Hagen, OSMRE
Lowell Braxton, DOGM
007006.APP

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Dan Stockburger, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for Four (4) consecutive issues, and that the

first publication was on the

4th day of March, 1993

and that the last publication of such notice was in the issue of such newspaper dated the

25th day of March, 1993

[Signature]

Subscribed and sworn to before me this

25th day of March, 1993

[Signature]
Notary Public

My Commission expires January 10, 1995

Residing at Price, Utah

Publication fee, \$ 128.00

**NOTICE OF APPLICATION FOR PERMIT
CYPRUS PLATEAU MINING CORPORATION**

Notice is hereby given that Cyprus Plateau Mining Corporation, P.O. Drawer PMC, Price Utah 84501, a wholly owned subsidiary of Cyprus Western Coal Company, 9100 E. Mineral Circle, P.O. Box 3299, Englewood, Colorado 80112, has submitted an application to the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining for a permit to add Federal Coal Lease UTU-64263 to its Coal Mining and Reclamation permit number ACT/007/006. The application was submitted in accordance with the Utah Mining and Reclamation Code Annotated 40-10-1 et. seq. and the Utah Coal Program Rules R645. The permit area is located in Carbon and Emery Counties, Utah as follows:
Township 14 South, Range 7 East, SLB&M
Section 34: Lots 3, 4 & NW SE;
Township 15 South, Range 7 East, SLB&M
Section 2: Lots 2 thru 7, 10 thru 12, SW, W, SE;
Section 3: Lots 1, 2, 7 thru 10, E, SE, W, SE;
Section 10: E, E, E, NW, NE;
Section 11: W, W, E;
Section 14: NW, NW, NE;
Section 15: E, E, NE, E, SE;
Section 22: E, E, NE, NE.

The project area is shown on the following U.S. Geological Survey 7.5 Minute Quadrangle Maps: Wattis and Candland Mountain.

Copies of the permit application are available for public inspection at the following locations:

State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining, 355 West North Temple, III Triad Center, Suite 350, Salt Lake City, Utah 84180-1203.

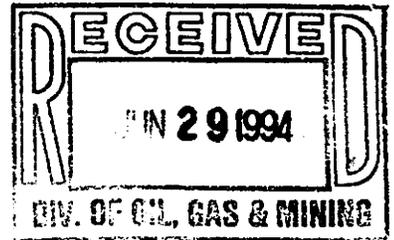
Carbon County Recorder's Office, Carbon County Court House, Price, Utah.

Emery County Recorder's Office, Emery County Court House, Castle Dale, Utah.

Pertinent comments are solicited from anyone affected by this permit application. Comments should be filed by April 30, 1993 with

State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining, 355 West North Temple, III Triad Center, Suite 350, Salt Lake City, Utah 84180-1203.

Published in the Sun Advocate March 4, 11, 18 and 25, 1993.



RIDER

To be attached to bond known as Bond No. 64S100208576BCA

issued by **THE AETNA CASUALTY AND SURETY COMPANY** (as Surety),

in the amount of Three Million Four Hundred Seven Thousand Three Hundred
Twenty-two and no/100-----(\$3,407,322.00)

effective the 26th day of November 1985,

on behalf of Cyprus Plateau Mining Corporation, (as Principal),
a Delaware Corporation
State of Utah, Division of Oil, Gas and Mining, and the
in favor of U.S. Department of the Interior, Office of (as Oblige).
Surface Mining

In consideration of the premium charged for the above bond, it is mutually understood and agreed by the Principal and the Surety that:

the bond penalty for said bond is increased as follows:

from: \$4,830,000.00

to: \$5,180,000.00

All other terms, limitations, and conditions of said bond except as herein expressly modified shall remain unchanged.

This rider shall be effective as of the 27th day of April 19 94

Signed, sealed and dated this 5th day of May 19 94

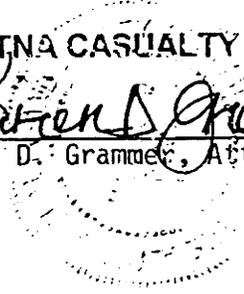
Cyprus Plateau Mining Corporation, a Delaware Corporation

By [Signature]
Francis J. Kane Vice President and Treasurer



THE AETNA CASUALTY AND SURETY COMPANY

By [Signature]
Karen D. Grammer, Attorney-in-Fact





POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint

Mary C. Jones, William N. Burke, Jr., Dan W. Burton, Michelle M. Ulery
Karen D. Grammer *

of Houston, TX its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated, the following instrument(s):
by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incidents thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company, which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him or her.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Group Executive, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Group Executive, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Assistant Vice President, and its corporate seal to be hereto affixed this 8th day of November, 19 93

State of Connecticut }
County of Hartford } ss. Hartford



THE AETNA CASUALTY AND SURETY COMPANY
By George W. Thompson
George W. Thompson
Assistant Vice President

On this 8th day of November, 19 93, before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Assistant Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



Dorothy L. Marti
My commission expires August 31, 1998
Dorothy L. Marti
Notary Public

CERTIFICATE

I, the undersigned, Secretary of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford State of Connecticut. Dated this 5th day of May, 19 94



By William T. DiRoberts
William T. DiRoberts

RIDER

To be attached to Bond No. 64S100208576BCA issued by
THE AETNA CASUALTY AND SURETY COMPANY, of Hartford, Connecticut,
(As Surety) in the amount of Three Million Four Hundred Seven Thousand
Three Hundred Twenty-Two and No/100----- (\$ 3,407,322.00)
Dollars, effective the 26th day of November, 19 85.

ON BEHALF OF Plateau Mining Company, a Delaware Corporation
State of Utah, Division of Oil, Gas and Mining, and the
IN FAVOR OF U.S. Department of the Interior, Office of Surface Mining

In consideration of the premium charged for the attached bond, it is mutually understood and agreed by the Principal and the Surety that:

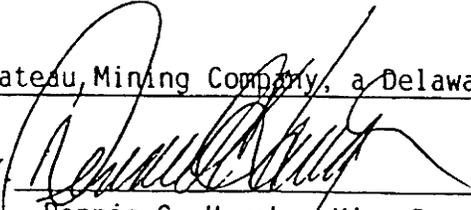
Bond amount is hereby increased from the above to
Four Million Eight Hundred Thirty Thousand
and No/100-----(\$4,830,000.00)

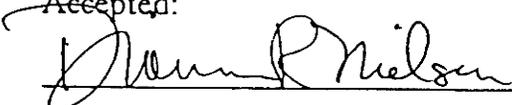
All other items, limitations and conditions of said bond except as herein expressly modified shall remain unchanged.

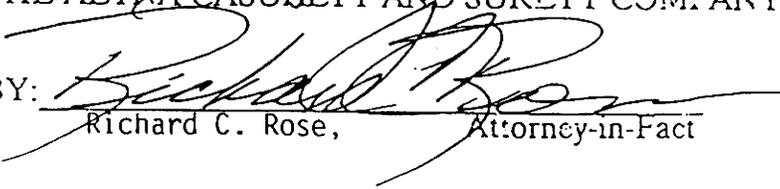
This Rider shall be effective as of the 26th day of October,
19 90.

Signed, sealed and dated this 16th day of October,
19 91.

Plateau Mining Company, a Delaware Corporation

BY: 
Dennis C. Haugh - Vice President & Treasurer
THE AETNA CASUALTY AND SURETY COMPANY

Accepted:


BY: 
Richard C. Rose, Attorney-in-Fact



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint Richard G. Anderson, Tom H. McCarley, III, Richard C. Rose, Laverne Sherrod, Janice Fennell, Kent C. Hermes, James F. Oakes, Linda M. Howard or Frank A. Word, Knoxville, Tennessee or Douglas L. Ball, Daniels, West Virginia - -

of XXXXXXXXXXXXXXXXXXXXXXXXXXXX, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incidents thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Senior Vice President and its corporate seal to be hereto affixed this 24th day of July 19 90



THE AETNA CASUALTY AND SURETY COMPANY
By Joseph P. Kiernan
Joseph P. Kiernan
Senior Vice President

State of Connecticut }
County of Hartford } ss. Hartford

On this 24th day of July, 19 90, before me personally came JOSEPH P. KIERNAN, Senior Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



Dorothy L. Marti
My commission expires March 31, 19 93
Dorothy L. Marti
Notary Public

CERTIFICATE

I, the undersigned, Secretary of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut, Dated this 16th day of October 19 91



John W. Welch
John W. Welch
Secretary

RIDER

To be attached to Bond No. 64S100208576BCA issued by
THE AETNA CASUALTY AND SURETY COMPANY, of Hartford, Connecticut,
(As Surety) in the amount of Four Million Eight Hundred Thirty Thousand
and No/100----- (\$ 4,830,000.00)
Dollars, effective the 26th day of October, 19 90.

ON BEHALF OF Plateau Mining Company, a Delaware Corporation
State of Utah, Division of Oil, Gas and Mining, and the
IN FAVOR OF U.S. Department of the Interior, Office of Surface Mining

In consideration of the premium charged for the attached bond, it is mutually understood
and agreed by the Principal and the Surety that:

Body language is hereby amended to include the following:

In the event the Cooperative Agreement between the DIVISION
and OSM is terminated, then the portion of the bond covering
the Federal Lands will be payable only to the United States,
Department of Interior, Office of Surface Mining.

All other items, limitations and conditions of said bond except as herein expressly
modified shall remain unchanged.

This Rider shall be effective as of the 12th day of September,
19 91.

Signed, sealed and dated this 16th day of October,
19 91.

Plateau Mining Company, a Delaware Corporation

BY: [Signature]
Dennis C. Haugh - Vice President & Treasurer
THE AETNA CASUALTY AND SURETY COMPANY

BY: [Signature]
Richard C. Rose, Attorney-in-Fact

Accepted: [Signature]



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint Richard G. Anderson, Tom H. McCarley, III, Richard C. Rose, Lavonne Sherrod, Janice Fennell, Kent C. Hermes, James F. Oakes, Linda M. Howard or Frank A. Word. Knoxville, Tennessee or Douglas L. Ball, Daniels, West Virginia -

of XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated, the following instrument(s):
by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incidents thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Senior Vice President and its corporate seal to be hereto affixed this 24th day of July 19 90



THE AETNA CASUALTY AND SURETY COMPANY
By Joseph P. Kiernan
Joseph P. Kiernan
Senior Vice President

State of Connecticut }
County of Hartford } ss. Hartford

On this 24th day of July, 19 90, before me personally came JOSEPH P. KIERNAN, to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



Dorothy L. Marti
MAY COMMISSION EXPIRES MARCH 31, 19 93 Notary Public
Dorothy L. Marti

CERTIFICATE

I, the undersigned, Secretary of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut, Dated this 16th day of October 19 91



By John W. Welch
John W. Welch
Secretary

Bond Number 64S100208576BCA
Permit Number ACT/007/006
Mine Name Star Point 1 and 2

RECEIVED

JAN 27 1986

DIVISION OF OIL
GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84160-1203
(801) 538-5340

Replaces Insurance Company of
North America Bond No. M301505E
1611

RECEIVED

JAN 21 1986

DIVISION OF OIL
GAS & MINING

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned PLATEAU MINING COMPANY, a Delaware Corporation as principal, and THE AETNA CASUALTY AND SURETY COMPANY as surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Office of Surface Mining in the penal sum of THREE MILLION FOUR HUNDRED SEVEN THOUSAND THREE HUNDRED TWENTY-TWO dollars (\$3,407,322.00*****). Such sum shall be payable to AND NO/100 one, but not both, of the above-named agencies.

The principal estimated in the Mining and Reclamation Plan filed with the Division of Oil, Gas and Mining on the 20th. day of February, 19 81, that 221.65 acres of land will be disturbed by this mining operation in the State of Utah. A description of the disturbed land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily reclaimed the above-mentioned lands affected by mining in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and the land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is noncancellable by the surety at any time for any reason including, but not limited to nonpayment of premium or bankruptcy of the permittee during the period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

Plateau Mining Company

Principal (Company)

By

Dennis P. [Signature]
Company Officer - Position

Vice President

Date: November 26, 1985

The Aetna Casualty and Surety Company

Surety (Company)

By

[Signature]
Surety Company Officer - Position
Attorney-in-Fact

DATE: November 26, 1985

APPROVED AS TO FORM:

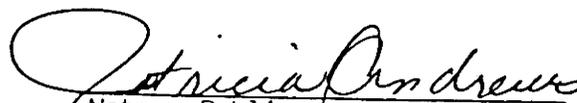
By *[Signature]*
Assistant Attorney General

AFFIDAVIT OF QUALIFICATION

Samuel W. Ardison, being first duly sworn, on oath deposes and says that he/~~she~~^{XXX} is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/~~she~~^{XXX} is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

(Signed) 
Surety Company Officer - Position
Attorney-in-Fact

Subscribed and sworn to before me this 26th day of November, 19 85.


Notary Public

My Commission Expires:

12/07, 19 86



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint **B. R. Phillips, Samuel W. Ardison, L. Randall Deal, Joyce L. Zoghbi or Pamela D. Clift - -**

of **Knoxville, Tennessee** its true and lawful Attorneys-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated the following instrument(s):
by his sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incident thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorneys-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect.

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Assistant Vice President and its corporate seal to be hereto affixed this 1st day of September 19 83



THE AETNA CASUALTY AND SURETY COMPANY
By Joseph P. Kiernan
Joseph P. Kiernan
Assistant Vice President

State of Connecticut }
County of Hartford } ss Hartford

On this 1st day of September 19 83, before me personally came **JOSEPH P. KIERNAN** Assistant Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument, that he knows the seal of said corporation, that the seal affixed to the said instrument is such corporate seal, and that he executed the said instrument on behalf of the corporation by authority of his office under the Standing Resolutions thereof



George A. Perry, Jr.
My commission expires March 31, 19 86
George A. Perry, Jr., Notary Public

CERTIFICATE

I, the undersigned, **Secretary** of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this NOV. 19 85



By John W. Welch
John W. Welch, Secretary

26th day of

PRINTED IN U.S.A.



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint Richard G. Anderson, Tom H. McCarley, III, Richard C. Rose, Lavonne Sherrrod, Janice Fennell, Kent C. Hermes, James F. Oakes, Linda M. Howard or Frank A. Word. Knoxville, Tennessee or Douglas L. Ball, Daniels, West Virginia -

of XXXXXXXXXXXXXXXXXXXXXXXXXXXX its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incidents thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Senior Vice President and its corporate seal to be hereto affixed this 24th day of July 19 90

State of Connecticut }
County of Hartford } ss. Hartford



THE AETNA CASUALTY AND SURETY COMPANY
By Joseph P. Kiernan
Joseph P. Kiernan
Senior Vice President

On this 24th day of July, 19 90, before me personally came JOSEPH P. KIERNAN to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



Dorothy L. Marti
My commission expires May 31, 19 93
Dorothy L. Marti
Notary Public

CERTIFICATE

I, the undersigned, Secretary of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 26th day of October 19 90



By John W. Welch
John W. Welch
Secretary