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FEB 2 1996

Over Mine file



**CYPRUS PLATEAU
MINING CORPORATION**
A Cyprus Amax Company

Cyprus Plateau Mining Corporation
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January 29, 1996

Mr. Jim Carter, Director
Department Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Mr. Carter:

Cyprus Plateau Mining Corporation (CPMC) has been contacted by an outside firm, who is interested in acquiring some of our coal waste. Because of this inquiry, CPMC seeks to secure a Division ruling on the matters of: (a) coal waste deposition, and (b) the utilization of coal waste.

A formal inquiry is necessary for CPMC to avoid any pitfalls or false starts, and to evaluate the costs associated with modifying our coal plant and preparation process to accommodate this method of disposing of coal waste.

To reply to the firm interested in our coal waste, we need to know what matters come under DOGM jurisdiction. Specifically, what we can and cannot do relative to coal waste deposition and allied matters, more particularly:

- I. How would the removal and deposition of coal waste off site from the Star Point Mine, under various scenarios, square with the coal rules if (a) taken from the preparation plant, (b) refuse pile, and etc?
- II. What changes would be required to our permit to accommodate the removal of our coal waste off site?
- III. Would the firm transporting, processing, and utilizing the coal waste have to be permitted by DOGM?

Mr. Jim Carter, Director
January 29, 1996
page 2

In addition to replying to the above, responding to the following questions will assist CPMC in evaluating the big picture, the parts therein, and your response.

Other Questions

Please respond to the following questions as related to Title V of SMCRA and more specifically whether it comes under the purview of the Utah Coal Law and rules:

- (1) Define coal.
- (2) Define coal waste.
- (3) What is the breaking point or the determining factors that the Division uses to differentiate coal from coal waste?
- (4) Since coal waste at Sunnyside Cogeneration and Hiawatha is being converted into a fuel and is authorized by DOGM; what other utilizations may be authorized? For example, briquettes.
- (5) Would briquettes be a similar DOGM authorization?
- (6) Please provide the rule citations for existing and allowable deposition and utilization. When coal waste is utilized to produce briquettes, where does DOGM jurisdiction end?
- (7) Does DOGM have any authority when coal is sold and transported off the permitted site to an unpermitted site?
- (8) Does DOGM have any authority when coal waste is transported off the permitted site; (a) to another permitted site; (b) to an unpermitted site?

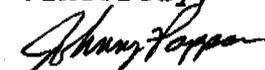
Mr. Jim Carter, Director
January 29, 1996
page 3

- (9) Does loading and transporting coal waste at a preparation plant constitute coal mining under the Utah Coal Rules?
- (10) Does extracting, loading, and transporting coal waste at a refuse pile constitute coal mining under the Utah Coal Rules?
- (11) Since coal waste, in the case of Hiawatha and Sunnyside Cogeneration Associates have economic utility, when in point of time and process does coal waste change into something no longer considered waste by DOGM?
- (12) When does DOGM jurisdiction on coal waste end; (a) when its loaded into another parties' truck; (b) when it leaves the permit area; (c) when its character is changed and processed into a product; and (d) other?
- (13) What about AML fees on coal waste?

By answering the above questions, the Division will set the stage for a productive meeting on Thursday, February 1, 1996. It would be appreciated if the Division could have its answers available for distribution to those in attendance at that time.

CPMC would like to thank the Division, once more, for scheduling the meeting in such a short notice and providing answers to questions listed above. Additionally, CPMC would like to have Mr. Bill Malencik attend this meeting, since he is CPMC's Inspector and would be involved in the permitting of this undertaking and subsequent enforcement. If you have any questions, please do not hesitate to contact me at (801)636-2289.

Sincerely,



Johnny Pappas
Environmental Engineer

cc: L. Braxton (DOGM) J. Trackemas
 J. Borla B. Grimes
 T. Hurst R. Madsen (COVOL)