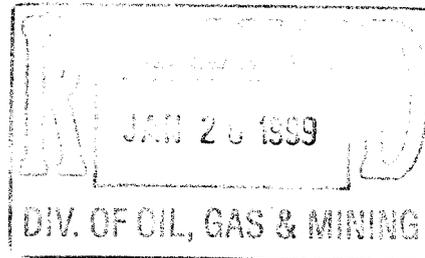




Willow Creek Mine  
847 Northwest Highway 191  
Helper, Utah 84526  
(435) 472-0475  
Fax: (435) 472-4780

January 19, 1999

Ms. Pamela Grubaugh-Littig  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Ste 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801



ACT/007/006 #2  
Joe 99A

Re: **Permit Amendment, Mining Coal Mine Waste File (Refuse File) and Transporting to Willow Creek Mine for Reprocessing, Cyprus Plateau Mining Corporation, Star Point Mine, ACT/007/006, Carbon County, Utah**

Dear Ms. Grubaugh-Littig:

This amendment proposes to mine and recover coal from the Star Point Mine refuse pile and process it at the Willow Creek Mine preparation plant and ultimately at the Star Point Mine. CPMC would also like authorization to store the processed waste at the Willow Creek Mine refuse pile as authorized under R645-301-536.510.

The application package is being submitted pursuant to my discussion with Mr. Lowell Braxton. During the discussion, it was mentioned that the existing Star Point underground mine permit provides the necessary authorization for this mining activity. The only change to the MRP, is the updating of a minor section of the engineering portion of the Plan.

According to R645-100, **mining** means, (a) extracting coal from the earth or coal waste piles and transporting it within or from the permit area; and (b) the processing, cleaning, concentrating, preparing or loading of coal where such operations occur at a place other than a mine site.

This effort is being considered in earnest pursuant to the Willow Creek Mine fire that has halted production of any coal from the mine and jeopardizes contractual obligations. Therefore, CPMC would greatly appreciate it, if the Division can expedite the review of this permit amendment, so that any mining of the refuse pile can begin immediately once CPMC's management deems it necessary.

The significant changes to the Star Point Mine permit apply or do not apply to the following:

Item 1- R645-301-100, Legal and Financial. Not applicable.

Item 2 - R645-301-200, Soils. Not applicable. The amendment does not intent to harvest nor place topsoil in the operational stage. With respect to reclamation, the removing of coal from the refuse pile

will result in a minor saving of topsoil required since the refuse pile height will be reduced.

Item 3 - R645-301-300, Biology. Not applicable. Since the proposed amendment involves an active operation within the disturbed area, no vegetation removal is required and no seeding of disturbed area is required during the operational stage. Vegetation test plots (section 341.300 of MRP) have been established on the eastern most portion of the refuse pile, which is not presently expected to be mined, to show reclaimability of the refuse pile. Revegetation success investigations have been performed and are on file with the Division. The current reclamation plan addresses the revegetation requirements of the refuse pile.

Item 4 - R645-301-400, Land Use and Air Quality. Not applicable. The current Star Point Mine Air Quality Approval Order covers all existing activities and their point source and fugitive emission sources. Since this amendment does not propose the addition of new components, the current approval order provides protection of air quality.

Item 5 - R645-301-500, Engineering. Applicable. The amendment addresses the mining plan on the refuse pile and the replacement of reprocessed coal processing waste. Refer to amended text for additional details.

Regarding the matter of reclamation, since the size of the refuse pile will be reduced the scope of reclamation will involve a small refuse pile. This will be reflected in minimizing the height of the refuse pile and will not mutually change the refuse pile surface area covered in the current approved plan.

The existing Star Point refuse pile and MRP currently address the storage, placement, and compaction of the material on the refuse pile. The pile has been stable for over 20 years with no mass movement as documented in the quarterly inspections. The pile is stable, meets the 2:1 slope requirements, and maintains an MSHA berm. The drainage system remains unchanged and meets the design criteria for the 100 year-6 hour event. All runoff from the refuse pile reports to ponds 5, 6, and 9. The pile is maintained to provide positive drainage that precludes impoundment of water.

Quarterly P.E. certifications confirm that the performance standards are maintained and validate that the design is more than adequate, since there has not been any refuse pile failures.

Item 6 - R645-301-600, Geology. Not applicable. Issues concerning the acidity/toxicity of the coal is addressed in the approved plan in the confidential volume. Additionally, analyses regarding the Price River coal processing waste are on file with the Division and Willow Creek's refuse pile has received Price River coal processing waste in the past. AMAX Coal Company was generous enough to enter into agreements with the Division's AML program to allow the disposition of such material during their clean up projects. Additionally, approximately 450,000 tons of this material was placed on the refuse pile during the Willow Creek Refuse Removal Project as permitted by the Division.

Exploratory drilling and sampling program to identify noncontinuous coal deposits is addressed in the Section 500 - Mining Plan.

Ms. Grubaugh-Littig  
January 19, 1999  
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Item 7 - R645-301-700, Hydrology. Not applicable. The proposed amendment on both the operational and reclamation phases does not change any of the diversions, sediment controls, etc. Since the surface area of the refuse pile will remain substantially unchanged, the need for alterations regarding hydrology is not required.

Item 8 - R645-301-800, Bonding. Not applicable. Since the existing approved reclamation plan addresses the reclamation of the current configured refuse pile, the proposed amendment would slightly reduce the reclamation cost. However, this amendment does not propose any bond reduction.

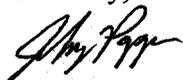
Therefore, the proposed amendment meets the major SMCRA policy of coal recovery in an environmentally sensitive manner. The amendment is advantageous and conducive to: 1) coal recovery; 2) reducing the scope of reclamation on the refuse pile; and 3) the best interest of the environment.

AML fees associated with this project will be paid when the recovered coal is processed at the Willow Creek Mine. The AML fees will be accounted for using current CPMC accounting methods.

With both mining operations operating under approved underground mining and reclamation plans that adequately address Utah's R645 Coal Rules, CPMC hopes that this permit amendment can be reviewed and approved in a very timely fashion. C1 and C2 forms are provided with the appropriate page revisions.

If you have any questions or need additionally information, please do not hesitate to contact me at (435) 472-4741.

Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

Enclosures

File: Refuse Pile Mining  
Chrono: JP990107.ltr

# APPLICATION FOR PERMIT CHANGE

Title of Change: Mining of Refuse Pile for Reprocessing to Recover Coal Resources

Permit Number: **ACT/007/006**

Mine: Star Point Mine

Permittee: Cyprus Plateau Mining Corp.

Description, include reason for change and timing required to implement:

To allow mining of refuse pile and reprocessing of material at Willow Creek Mine.

- |                              |  |  |
|------------------------------|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease    |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Change in the size of the Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Will permit change include operations outside the Cumulative Hydrologic Impact Area?                                      |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Will permit change include operations in hydrologic basins other than currently approved?                                 |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond?                      |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the permit change require or include public notice publication?  |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the permit change require or include ownership, control, right of entry, or compliance information?                  |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Permit change as a result of a Violation? Violation # _____   |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Permit change as a result of Division Order? D.O. # _____   |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Permit change as a result of other laws or regulations or policies? Explain: _____                                       |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the permit change affect the surface landowner or change the post mining land use?                                  |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does permit change require or include underground design or mine sequence and timing? (Modification of R2P2?)            |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does permit change require or include collection and reporting of any baseline information?                              |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area?                    |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does permit change require or include soil removal, storage or placement?  |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does permit change require or include vegetation monitoring, removal or revegetation activities?                         |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does permit change require or include construction, modification, or removal of surface facilities?                      |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does permit change require or include water monitoring, sediment or drainage control measures?                           |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does permit change require or include certified designs, maps, or calculations?  |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does permit change require or include subsidence control or monitoring?  |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for any change in the reclamation plan?                                 |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling?               |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Is this coal exploration activity?   |

**Attach 3 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.**

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

*John Pappas - JOHN W. PAPPAS - Sr. Env. Engineer - 1/18/99*  
 Signed - Name - Position - Date

Subscribed and sworn to before me this 18 day of JAN. 19 99.

Notary Public Jackie D. Bogdin  
 My Commission Expires: 03-15-2001  
 Attest: STATE OF UT  
 COUNTY OF CARBON



Notary Public  
**JACKIE D. BOGDIN**  
 401 Maple Drive  
 P.O. Box 84526  
 Salt Lake City, Utah 84526  
 My Commission Expires  
 March 15, 2001  
 State of Utah

Received by Oil, Gas, & Mining

RECEIVED

JAN 20 1999

DIV. OF OIL, GAS & MINING

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ASSIGNED PERMIT CHANGE NUMBER

