

**KAISER
STEEL**KAISER STEEL CORPORATION
SUNNYSIDE COAL MINES
SUNNYSIDE, UTAH 84539
TELEPHONE 801 - 888-4421

June 22, 1979

Utah Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple Street
Salt Lake City, Utah 84116

Dear Sirs:

Kaiser Steel has signed a contract with Coal Facts Inc. allowing them, through their subsidiary Sunnydale Mine Inc., to reprocess waste material at the mine site. At this time, only the slurry material from the large tailings pond is being utilized. The slurry is being piled within the tailings pond with a scraper and a front end loader to allow the material to dry out as much as possible. The piles are then loaded onto trucks and hauled to the area shown on the map labeled Exhibit B. From this stockpile area the material is loaded onto trucks owned by a contractor and transported to the Carbon plant of Utah Power and Light Co.

Negotiations are being conducted with possible users of the coarse refuse material. If these negotiations are fruitful, a plant to upgrade the refuse by means of crushing and gravity separation will be installed. A tentative loadout area for this material is shown on the same map.

Reclamation and revegetation will be done by Sunnydale Mine Inc. under the direction of Kaiser Steel Corp. The reject material will be deposited in the permitted area. Contouring and reseeding will conform to applicable State and Federal regulations.

As this operation is just getting underway and at this time the annual production is unknown, the stockpile areas are listed as tentative. All activity relating to this operation will be within the area shown as 'Waste Disposal Permit Area' on the map labeled Exhibit B.