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November 14, 1979

Mr. Lynn Huntsman
Kaiser Steel Corporation
Sunnyside Mine Complex
Sunnyside, Utah 84539

Re: Sunnydale Mines, Inc.
Coal Reclamation

Dear Mr. Huntsman:

It has come to the attention of the Division that some confusion exists on the part of other governmental agencies as to the status of Sunnydale Mines, Inc., a wholly owned subsidiary of Coal Facts, Inc., and that company's operation on the area presently permitted by Kaiser Steel Corporation for the Sunnyside Mine Complex. As you know, you applied for a permit for the area which was occupied by Sunnydale Mines, Inc. in your letter of July 5, 1979. A copy of that letter is enclosed. Upon its receipt, the Division forwarded seven copies of the letter and map to the Office of Surface Mining in Denver.

At this time it is appropriate to outline to you, the Division's position on locating the Sunnydale Mine coal reclamation plant within your permit area. That position is as follows:

1. The operation, being within Kaiser Steel's permit area is included as a part of the overall Mining and Reclamation Plan for the Sunnyside Mine Complex.

2. The result of activities conducted by Sunnydale in the way of environmental degratation or violations of existing rules will be the responsiblilty of Kaiser Steel Corporation.

3. Reclamation of the areas used, occupied and disturbed by Sunnydale will be included within the Reclamation Performance Bond by Kaiser Steel for the Sunnyside Mine Complex.

In the way of understandings and commitments by Kaiser Steel Corp., the Division would like from you; (1) a letter stating your concurance with the above understandings; (2) a statement telling where or if the coal being reclaimed by Sunnydale Mines is being processed at or near the mine site; (3) a statement affirming that the map depicting the Sunnydale Mine location, dated July 5, 1979, accurately shows the total extent of coal reclamation work being performed by Kaiser Steel Corporation's contractor, Sunnydale Mines, Inc.

I hope that this letter and your subsequent response will clarify the status of Sunnydale Mines' operation within the permit area of Kaiser Steel Corporation.

Sincerely,

Ronald W. Daniels

RONALD W. DANIELS
COORDINATOR OF MINED
LAND DEVELOPMENT

RWD/sp
enc: Letter dated July 5, 1979
cc: Don Crane, O.S.M., Denver
Murray Smith, O.S.M., Denver
Joe Taylor Kaiser Steel Corporation