

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

#3

FILE ACT/007/007

Copy to *Steph*  
*Mary*

May 22, 1984

RECEIVED

MAY 24 1984

DIVISION OF OIL  
GAS & MININGMr. Jim Smith  
Division of Oil, Gas & Mining  
4241 State Office Building  
Salt Lake City, Utah 84114RE: Sunnyside Permit Revision  
B Canyon Lease  
ACT/007/007

Dear Mr. Smith:

Kaiser Steel is in the process of obtaining the B Canyon federal lease north of the present Sunnyside Permit. Plans are to mine the lease from Sunnyside at the startup and then open a new mine to access the remaining reserves. In the interest of continued uninterrupted operations we are asking the Division to concur that a permit revision that will extend the mine permit boundry to include part of the B Canyon lease (see attached map) will be the best way to handle regulatory requirements to mine the area. The reasons for the revisions are as follows:

1- Sunnyside operations need lower cost outcrop coal to blend with higher cost deeper coal to remain competitive in the western coal market.

2- Coal and the transport of men and material will be through the Sunnyside mine.

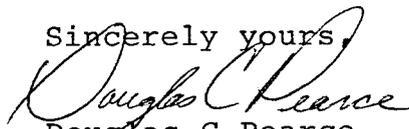
3- No new surface disturbance (excluding the effects of subsidence) will be needed for the new area.

4- Environmental damage from mining will be restricted to the effects of subsidence.

5- Mining has taken place in B Canyon previously during the fifties by Kaiser Steel on a contract basis for U.S. Steel Corporation.

If a new permit is required by the Division the loss of time completing reviews, baseline studies for a new permit could cause severe economic loss to the State, County, mine employees and Kaiser Steel. Your consideration is appreciated.

Sincerely yours,

A handwritten signature in cursive script that reads "Douglas C Pearce". The signature is written in dark ink and is positioned above the typed name.

Douglas C Pearce  
Mine Engineer