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**KAISER
COAL**

KAISER COAL CORPORATION
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*orig mine file
cc K. May
L. Braxton*

November 22, 1985

*ACT 1007/1009
#2 + #4*
RECEIVED
NOV 25 1985

Mr. Allen D. Klein
Administrator
Office of Surface Mining
Brooks Towers
1020 15th Street
Denver, CO 80202

DIVISION OF OIL
GAS & MINING

RE: Urgency of Permit Approval for the Sunnyside Mines, Carbon
County, Utah

Dear Mr. Klein:

I want to take this opportunity to thank you and the Office of Surface Mining ("OSM") personnel who have been working with us on the Sunnyside Mines Permit Application Package. Kaiser Coal Corporation ("Kaiser") is very pleased with the progress to date and looks forward to a continued good working relationship with OSM.

The purpose of this letter is to express to OSM the urgency of Kaiser obtaining Permanent Program Permit Approval for the Sunnyside Mines operation in Carbon County, Utah. Now that permit actions are completed at the State level, Kaiser Coal Corporation is optimistic that final permit approval can be obtained on or around January 2, 1986 in order to sustain mining operations.

As you know, the Sunnyside Mines have been operating for a number of years under an Interim Permit from the Utah Division of Oil, Gas and Mining. It is one of the last mines in Utah to obtain permanent program permit approval.

This year, under new management, Kaiser Coal Corporation has undertaken aggressive actions in order to develop the extensive federal and private coal reserves in the Sunnyside Complex. However, one of our major constraints to date has been a lack of permitted reserves. Unfortunately, we have recently found that the Sunnyside Mines permit area has significant physical constraints and, therefore, has a shorter mine life than was projected just a few months ago. As a result, Kaiser has an

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urgent need to begin development work in adjacent areas as a logical extension of the Sunnyside operations. These areas are currently not permitted, however various permitting actions are either pending or planned for the near future which would allow us to initiate mining activities.

We have recently found it difficult for both the agencies and Kaiser to complete required permitting actions for these new areas because a permanent permit approval for the Sunnyside Mines has not yet been issued. We desperately need a base from which to start as we prepare permit revisions or permit applications for new areas.

Because the approval of the Sunnyside Mines permit is so critically tied to other associated permitting actions, Kaiser Coal Corporation desperately needs a Sunnyside Mine permit approval in early January 1986. If production at Sunnyside is interrupted in early 1986 due to a lack of permitted coal, the mine will lose current contracts and severe repercussions will likely occur.

I am sure Dick Dawes has relayed to you the concerns I have just outlined from our meeting with him on November 5, 1985. All of us at Kaiser in Colorado Springs and the 325 employees at Sunnyside are confident you and the OSM officials in Washington D.C. are sympathetic to our situation. The Sunnyside Mines are the oldest underground coal mines west of the Mississippi River and Kaiser Coal Corporation has plans to continue its operations there for many years to come.

Please let us know if there is anything else we can do with regard to this very important matter.

Sincerely,



Clyde I. Borrell, P.E.
Vice President - Engineering

CIB/klk

cc: Charles McNeil
Charles McGlothlin
Jeff Desautels
Tom Hopkins
Marty Holmes
Dianne Nielson ✓
Al Czarnowsky