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**KAISER
COAL**

KAISER COAL CORPORATION
Sunnyside Coal Mines
P.O. Box D
Sunnyside, Utah 84539
Telephone (801) 888-4421

c.c. Johnson
file ACT/007/007
#2, #3

RECEIVED

August 26, 1985

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John Whitehead
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

**DIVISION OF OIL
GAS & MINING**

RE: Drilling water monitoring wells
in 1985, ACT/007/007, Sunnyside
Mines

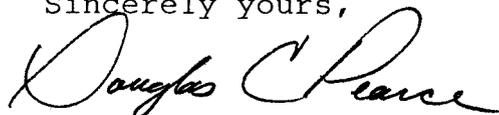
Dear Mr. Whitehead:

The updated Sunnyside Mines permit application commits to establish water monitoring holes by the end of September. Because of insufficient funding (\$140,000) it will not be possible to drill this year. To maximize the benefits of the holes that will be drilled Kaiser Coal has contracted with JBR Consultants Group of Sandy, Utah to conduct a hydrology program for the C Canyon/Sunnyside area. The program will result in a better understanding of the number and location of holes needed to define subsurface water conditions. Information derived from the program will be used in the C Canyon, B Canyon and Sunnyside permits.

We are proposing to design and permit the drilling program during the winter of 1985 and drilling will commence during the summer of 1986. Sufficient monies has been budgeted to cover all expected expenditures next year.

Attached is a replacement page for Section 7.1 which reflects the change in the drilling program.

Sincerely yours,



Douglas C Pearce
Mine Engineer

will handle in permit review
JW

CHAPTER VII

The operational monitoring plan will be the same as the baseline program with the exception of parameters which are "Groundwater Operational" in Table III-23. The operational monitoring plan will start after two years of baseline collection.

Groundwater and lithology information derived from drill holes will be provided to the Division during the summer of 1986. Two years of baseline water quality information will be collected and submitted for boreholes that encounter water.

Water located under the coal seams will be observed in three holes drilled to a depth of 100 feet. Location of the holes are shown on Plate VII-3 and Plate III-3.

Results of the above programs will be submitted quarterly. Total Water discharged from the mine will be reported annually.

7.2 Surface Water Hydrology

7.2.0 Scope

This section on Surface Water Hydrology pertains to requirements under UMC 783.13, 783.14, 783.16 and 783.17 as well as UMC 784.11(b), 784.13(b), 784.14, 784.16 and 784.22 primarily.

The Sunnyside Mines permit area occupies a portion of the Book Cliffs coal field which is drained by tributaries to the Price River. Grassy Trail Creek which flows through Whitmore Canyon is the only perennial stream in the permit area. A hydrogeologic study by a Utah Division of Mines and Geology geologist has identified a number of springs located hundreds of feet above and a mile or more from the mining areas. (See Plate VI-I and III-I.)

Underground mine water supplies most of the water requirements of the Sunnyside Mines operation. Grassy Trail Reservoir provides domestic water to the towns of Sunnyside and East Carbon City as well as facilities of Kaiser Steel and U.S. Steel.

Kaiser Steel also controls certain rights to Range Creek and Price River water which could be considered possible alternate sources under abnormal circumstances.

There are eight sedimentation ponds serving the disturbed areas. No impoundments or stream diversions are contemplated during the permit period.

Past operation of the Sunnyside Mines has not caused diminution