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**KAISER
COAL**

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mine file
cc h. Brayton
R. Daniels
ORA

Note for response
from L. Brantley

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AUG 12 1985

**DIVISION OF OIL
GAS & MINING**

August 7, 1985

Ms. Dianne R. Nielson, Director
Utah Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple,
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Mr. Allen D. Klein, Administrator
Western Technical Center
Department of the Interior
Office of Surface Mining, Region V
Brooks Towers
1020 15th Street
Denver, CO 80202

AEI/007/007
PTO/007/030
PTO/007/028
JNA/007/013
#2

RE: Prioritization of Kaiser Coal Mine Permit Submittals in
the State of Utah

In recent discussions with personnel from both the Utah
Division of Oil, Gas and Mining and the Office of Surface
Mining, questions have arisen as to priority for review of the
various mine permit applications which have been submitted or
will be submitted in the near future, by Kaiser Coal
Corporation. We at Kaiser Coal would like to thank the
Division and OSM for bringing this to our attention and we
apologize for any confusion which may have resulted.

Based on our current, long-range development schedule, the
following priorities have been established:

- #1- Permanent program approval for the Sunnyside Mines.
Kaiser Coal would appreciate final permit approval as soon
as possible since the Division has made it clear that
review and approval of other "critical" permit
applications must await final approval of the Sunnyside
permit application (i.e., B Canyon Permit) and that new
permit applications will not be processed until all
interim permits are transformed to permanent program
permit status.

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- #2- B Canyon permit approval. The B Canyon permit was submitted to the Division on May 28, 1985. Kaiser would appreciate final permit approval by November 1985. B Canyon does not involve any new surface disturbance as it is only an extension of the existing Sunnyside Mine.
- #3- C Canyon permit approval. Kaiser Coal is currently conducting baseline studies and preparing engineering designs for the C Canyon area. Plans are to submit a permit application to the Division in January 1986 with anticipation of permit approval by November 1986. C Canyon will require construction of surface facilities to eventually handle coal mined from both the B Canyon and C Canyon reserves.
- #4- Blackhawk Mine permit approval (formerly U.S. Steel's Geneva Mine). Kaiser Coal will likely be submitting a notice of intent to explore which will allow removal of waste rock and dewatering of the mine workings in order to determine the feasibility of developing future mining plans. At this time, any permit submittals for Black Hawk will take second priority to any of the first three outlined above. Kaiser Coal does not feel it is necessary or appropriate for the regulatory agencies to spend any more time reviewing the interim permit previously submitted by U.S. Steel.
- #5- Withdrawal of the South Lease permit application. For numerous economic reasons Kaiser Coal wishes to withdraw the South Lease application which was submitted by Kaiser Steel in April 1982. A formal withdrawal request will be forthcoming.

We hope this letter clarifies the relative priorities of Kaiser Coal's various permit submittals. I would be happy to answer any question you might have about the priorities and timelines outlined above.

Kaiser Coal will continue to be responsive to the Division and OSM throughout the permit review process. In turn, we would greatly appreciate timely permit reviews from regulatory

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agencies so that the necessary approvals can be obtained in a manner which will allow us to continue coal mining operations at Sunnyside, Utah.

Sincerely,



Martin P. Holmes
Manager Permitting and
Regulatory Compliance

MPH/klk

cc: Clyde Borrell
Jeff Collins
Charles McGlothlin