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**KAISER  
COAL**

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Mine file  
J. Whitehead

ACT/007/007  
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DIVISION OF  
OIL, GAS & MINING

February 14, 1986

Mr. Lowell Braxton  
Utah Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 94180

**FILE COPY**

RE: Meeting on December 20, 1985

Dear Mr. Braxton:

This letter is to confirm our conversations in the December 20th meeting held in Utah Division of Oil, Gas & Mining (UDOGM) offices. Present at that meeting were the following individuals:

Mr. Ken May, UDOGM (part-time)  
Mr. Lowell Braxton, UDOGM  
Mr. John Whitehead, UDOGM  
Ms. Kathryn Mutz, UDOGM  
Mr. Martin P. Holmes, Kaiser Coal Corporation  
Mr. Conrad Parrish, ACZ Inc.

Kaiser Coal Corporation (Kaiser) requested this meeting with UDOGM personnel to discuss a number of issues concerning the B/C Canyon Permit Applications. Kaiser's intent was to inform UDOGM of issues which Kaiser is concerned about and to generally update UDOGM on the status of the B/C Canyon effort. Items discussed at the meeting were:

1. Fish and Wildlife Consultation
2. Permit Format
3. Permit Schedule
4. Permit Boundary
5. South Lease and B Canyon Permit Applications
6. Status of Sunnyside Mines Permit Revision
7. January Meetings

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1. FISH AND WILDLIFE CONSULTATION

Kaiser requested a ruling from UDOGM regarding the necessity of a fish and wildlife consultation for the B/C Canyon area. Kaiser distributed copies of a letter from Mr. Steve Cox to Mr. Doug Pearce exempting Kaiser from the necessity for a wildlife consultation on the C Canyon area. A general discussion was held concerning the status of wildlife issues relative to the areas involved in the B/C Canyon Permit. UDOGM agreed to research the status of wildlife consultation and provide Kaiser with a response regarding the necessity for this consultation.

2. PERMIT FORMAT

Discussions were held concerning the format for preparation of the B/C Canyon Permit. The consensus was that the repetitive nature of the regulations and the general complexity of the permit process can yield a very cumbersome document. Any format used to submit a permit will require extensive cross referencing to ensure that reviewers as well as ultimate users of the permit are able to understand the organization and find information.

Kaiser proposed to submit the permit on a regulation by regulation basis rather than according to the Utah guidelines. The UDOGM staff expressed concern about the regulation by regulation format. Kaiser agreed to take UDOGM suggestions under advisement. UDOGM personnel indicated that the ultimate decision on permit format is left up to the operator. The operator is responsible for submitting a clear and understandable document.

3. PERMIT SCHEDULE

Kaiser expressed concern about the overall time frames required to complete approval of a permit package. Kaiser reminded UDOGM personnel of the overall projected schedule for the B/C Canyon Permit. Kaiser's projected schedule is permit submittal by mid-year 1987. Kaiser submitted to UDOGM a list of line items which have to be completed in order to complete permit approval. It was generally acknowledged that no single party controls the time frames for the entire permit approval schedule. Kaiser requested that UDOGM review the schedule of line items; Kaiser will discuss the permit schedule in more detail at the January meetings to be held with UDOGM in Salt Lake City. Kaiser will work with UDOGM to ensure that no major line items are left off the schedule and that all line

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items have reasonable time frames associated with them. This will allow Kaiser and UDOGM to work toward approval of the permit within a time frame acceptable to both parties.

4. PERMIT BOUNDARY

Kaiser presented a work map showing the proposed B/C Canyon Permit boundary. The map was not left with UDOGM personnel as the permit boundaries have not been finalized. This map was presented for purposes of information only for UDOGM personnel. Kaiser will keep UDOGM personnel abreast of developments in the B/C Canyon Permit. Setting the permit boundary is one of the most important early items to be completed in permit development. Kaiser will work toward setting a permit boundary prior to the January meetings with UDOGM.

5. SOUTH LEASE AND B CANYON PERMIT APPLICATIONS

Kaiser confirmed the formal withdrawal of the South Lease Permit Application and the B Canyon Permit Application packages. Kaiser personnel took one (1) copy of each of these Permit Applications from UDOGM. All other copies of the South Lease Permit Application and the B Canyon Permit Application are to be destroyed by UDOGM.

6. STATUS OF SUNNYSIDE MINES PERMIT REVISION

A general discussion was held concerning the progress of the Sunnyside Mines Permit Revision. Kaiser formally transmitted to UDOGM responses to two (2) stipulations which UDOGM had requested from Kaiser. Kaiser updated UDOGM personnel with regard to the status of the Resource Recovery and Protection Plan (R2P2). The R2P2 has been informally reviewed by the Bureau of Land Management (BLM) and revised by Kaiser per BLM comments. The BLM is currently reviewing the revised Sunnyside Mines Permit Revision R2P2. The R2P2 has been formally submitted to the Office of Surface Mining (OSM) and UDOGM, as well as the BLM.

7. JANUARY MEETINGS

A discussion was held concerning the need for additional consultations between Kaiser and UDOGM. Kaiser requested that meetings be held for discussion on hydrology, vegetation, soils, meteorology, wildlife, and also general schedule and approval timetable. Kaiser proposed that the meetings be held

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over the course of two (2) days with hydrology being discussed on one (1) day and all other issues discussed on the other day. It is anticipated that two full days may not be required to complete all these discussions, but Kaiser believes that hydrology should be addressed independent of the other issues. Meeting dates would be established during the week of January 20th, and they will be confirmed shortly under separate cover after telephone conversations with you and your staff as to appropriate times.

This letter constitutes Kaiser's understanding of the discussions in the December 20, 1985 meeting. If your understanding of these discussions differs from mine, please contact me in the near future. Kaiser personnel look forward to working with UDOGM personnel on this permit.

Thank you again for your time and attention to our operation.

Sincerely,

KAISER COAL CORPORATION



Martin P. Holmes  
Manager Permit and  
Regulatory Compliance

MPH/klk

cc: Conrad Parrish