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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

August 16, 1989

Mr. William P. Balaz
General Mine Manager
Sunnyside Reclamation & Salvage Inc.
P.O. Box 99
Sunnyside, Utah 84539

Dear Mr. Balaz:

Re: Permanent Buildings, Sunnyside Reclamation & Salvage Inc.,
Sunnyside Mines, ACT/007/007, Folder #4, Carbon County, Utah

Ten buildings were designated as being accepted by the Sunnyside City Council when Sunnyside Reclamation and Salvage goes into reclamation per a letter from Sunnyside City Corporation dated June 26, 1989 (see attached).

Several questions have been raised about this issue. This proposal does not provide the Division with the information necessary to determine whether the proposed alternative postmining land use is a "higher and better" use of the mined property than returning it to a premining state. The ultimate use of the buildings is not designated and the responsibility of the landowner to commit to maintain the buildings during the bond liability period to the standards required by the regulations is not clearly stated. The arrangement for rights-of-way is also not discussed.

Sunnyside Reclamation and Salvage, Inc. must submit the following information in order for the Division to derive appropriate findings required under UMC 817.133 and UMC 817.181:

1. The ultimate use of the proposed permanent buildings in regards to the proposed postmining land use being a "higher and better" use than removing the buildings (see U.C.A. 40-10-17(2)(b) and UMC 817.133(a)(2)). The ultimate use should also state if it is consistent with the zoning designated for that area or whether a new zoning will be required.

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2. A commitment by the proposed building owners to maintain the buildings to the standards required by the Division (see U.C.A. 40-10-18(2)(j) and UMC 817.181) during the bond liability period; and
3. A description of the legal arrangement for rights-of-way to the buildings.

The cost of removal of the buildings in the reclamation estimate is \$137,264. Therefore, until this issue is resolved, the cost of removal of the buildings must be included in the reclamation cost estimate.

If you have any questions, please call me or Pamela Grubaugh-Littig.

Sincerely,



Richard V. Smith
Permit Supervisor

c1/djh
Attachment
cc: B. W. Roberts, Atty. Genl. Ofc.
L. Braxton, DOGM
P. Grubaugh-Littig, DOGM
BT37/30-31

SUNNYSIDE CITY CORPORATION

PHONE 888-~~5834~~ 4444

SUNNYSIDE, UTAH 84539

June 26, 1989

RECEIVED
JUL 03 1989

Mr. Bill Balaz
General Mine Manager
Sunnyside Reclamation & Salvage, Inc.
P. O. Box 99
Sunnyside, Utah 84539

DIVISION OF
OIL, GAS & MINING

Dear Mr. Balaz:

Pursuant to our conversations and our understanding of those discussions, Sunnyside City Council met at our regular meeting on June 22, 1989, and Sunnyside City is willing to accept the following buildings in the event Sunnyside Reclamation and Salvage should go into final reclamation. The buildings are: Bath house, Shop, Main Office and Warehouse, Engineering Building, Training Building, Ambulance Garage, Auxillary Warehouse and Two Sub-Station.

If you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,

CITY OF SUNNYSIDE

Lloyd A. Heath
Lloyd A. Heath
Mayor

LAH/bj

cc

RECEIVED

JUN 28 1989

Sunnyside Reclamation
& Salvage, Inc.