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DIVISION OF
 OIL, GAS & MINING

October 7, 1993

VIA FACSIMILE

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ACT/007/007
 #2

James M. Carter
 Director
 UTAH DIVISION OF OIL, GAS & MINING
 3 Triad Center, Suite 350
 Salt Lake City, Utah 84180-1203

RE: Permit Revision -- Sunnyside Coal Company -- Sunnyside Mine; Permit No. ACT/007/007

Dear Director Carter:

In connection with the approval of Sunnyside Cogeneration Associates' ("SCA's") Permit No. ACT/007/035, Sunnyside Coal Company ("SCC") has submitted a permit modification to remove SCA's permit area from SCC's Permit No. ACT/007/007. This permit modification was submitted in two parts: (1) a request for removal of SCA permit area from SCC permit, dated January 8, 1993; and (2) request for reduction of reclamation bond, dated March 15, 1993.

As you are aware, by Agreement dated September 30, 1993, SCA and SCC have agreed to comply with the terms of a June 3, 1993 Operating Agreement regarding operations affecting SCA's permit area. It is our understanding that the Division is proposing to review SCA's permit with the federal Office of Surface Mining ("OSM") to determine whether or not the permit should have issued on February 4, 1993. On behalf of SCC, we respectfully request the Division to notify SCC regarding OSM and the Division's determination as to the adequacy of the SCA permit prior to approval of SCC's pending revision. As you are aware, the impact of the pending permit revision would be to remove the tailings pile from SCC's permit area under Permit No. ACT/007/007. SCC does not seek to modify its permit to remove this area until it has confirmed that SCA's permit was properly issued on February 4, 1993.

James M. Carter
October 7, 1993
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We appreciate your consideration in this matter.

Very truly yours,



Denise A. Drago

DAD:jmc:20877

cc: Robert M. Burnham
Joe Fielder
Gary Gray
Pamela Grubaugh-Littig
Lowell Braxton