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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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September 2, 1994

Robert M. Burnham, President
Sunnyside Coal Company
1113 Spruce Street
Boulder, Colorado 80302

Re: Division Order 94B, Sunnyside Coal Company, Sunnyside Mine, ACT/007/007, Folder #5, Carbon County, Utah

Dear Bob:

I am writing to follow up on my letter to you of August 17 and our conversations since then. My letter of the 17th suggests that Sunnyside's required commitment to performance of the requirements of the Division Order take the form of a stipulation signed by the Division and Sunnyside. We most recently discussed a mutually acknowledged letter as an alternative to a formal stipulation. This letter will constitute that stipulation and Sunnyside's commitment to compliance with the requirements of the Division Order when countersigned by you and returned for inclusion in the Division's files.

During my visit to the minesite on August 11, you acknowledged that the current reclamation plan does not depict all disturbed areas at the mine. We agreed that designation as disturbed does not dictate a particular reclamation treatment, but that all features and structures utilized after passage of SMCRA in connection with mining operations must be identified as disturbed areas in the reclamation plan.

We also agreed that, for all roads, railroads, and structures planned to be retained for post-mining uses, a demonstration must be made that the proposed retention and use will meet regulatory requirements. Structures for which such a showing cannot be made must be removed, and the plan modified to reflect their removal. Demonstrations for the County road and railroad spur will likely be relatively straightforward, but all structures and roads to be retained must be shown to be necessary to the post-mining use and approvable under the regulatory program.

We agree that the current plan contains inadequate backfilling and grading information to assure compliance with standards for reclamation and bond release. For example, there is no identification or quantification of reasonably available spoil

for backfilling of highwalls. There is inadequate information to determine if the final configuration of the site will comply with approximate original contour requirements.

We agree that the plan contains insufficient information to determine that the post-mining hydrologic configuration of the site will meet program requirements.

As we have discussed, Sunnyside currently lacks the financial resource to fully respond to the requirements of the Division Order. We have also discussed that court approval of the Kilter agreement or some other funding arrangement will be necessary for Sunnyside to fully comply with the Division Order and perform the necessary site reclamation. The Division is willing to allow Sunnyside a reasonable period of time to obtain the necessary approvals to comply with the Division Order and perform reclamation at the Sunnyside Mine, if Sunnyside Coal Company will acknowledge the deficiencies of its reclamation plan by countersigning this letter and returning it to the Division.

Due to my tardiness in getting this letter to you for consideration, I am extending the date for performance under Division Order 94B through the close of business Friday, September 9, 1994. If the Division has not received a countersigned copy of this letter by that time, further enforcement action will be required.

Very truly yours,

James W. Carter
Director

Acknowledged and agreed to:

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Sunnyside Coal Company

jbe
cc: L. Braxton
H:BOBLETTE.LTR

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*              **  TRANSMIT CONFIRMATION REPORT  **                         *
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*          Journal No.   :  010                                             *
*          Receiver      :      303 938 5005                                *
*          Transmitter   :  DIV OIL GAS & MINING                            *
*          Date          :  Sep  2,94 14:03                                 *
*          Document      :  02 pages                                        *
*          Time          :  01'17"                                          *
*          Mode          :  G3 NORMAL                                       *
*          Result        :  OK                                              *
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