

FEDERAL

Permit Number ACT/007/007

January 20, 1991

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

This permit, ACT/007/007, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Sunnyside Coal Company**  
P.O. Box 99  
Sunnyside, Utah 84539  
(801) 888-4421

for the Sunnyside Mine. A First Deed of Trust for Undisturbed Lands and Water Rights is filed with the Division in the amount of \$2,639,088, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). The Division must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA** - The permittee is authorized to conduct underground coal mining activities on the following described lands (as shown on the map appended as Attachment A) within the permit area at the Sunnyside Mine, situated in the state of Utah, Carbon County, and located:

Fee Land

Township 14 South, Range 14 East, SLB&M, Utah

- Section 6: N1/2, S1/2 SW1/4, S1/2 SE1/4, NW1/4 SE1/4  
Section 7: NW1/4, SW1/4 NE1/4, E1/2 SW1/4, S1/2 SE1/4, NW1/4 SE1/4  
Section 17: NE1/4, SE1/4 NW1/4, SW1/4, S1/2 SE1/4  
Section 18: E1/2, S1/2 SW1/4, NE1/4 SW1/4, NW1/4 SW1/4, SW1/4 NW1/4  
less the following described area:

Beginning at the NW corner of SW1/4 NW1/4 of Section 18,  
Township 14 South, Range 14 East:

Thence S 45° 05' E, 1,577.42 ft;  
thence S 39° 25' W, 1,759.22 ft;  
thence N 2,472.87 ft to point of beginning.

Section 19: All  
Section 20: All  
Section 21: W1/2  
Section 28: All  
Section 29: All  
Section 30: NE1/4, NE1/4 NW1/4, NW1/4 SE1/4  
Section 31: S1/2 NE1/4, NE1/4 NE1/4  
Section 32: All  
Section 33: All  
Section 34: W1/2

Township 15 South, Range 14 East, SLB&M, Utah

Section 3: W1/2  
Section 4: All  
Section 5: NE1/4, N1/2 SE1/4, SE1/4 SE1/4, W1/2, SW1/4 SE1/4  
Section 6: S1/2 SE1/4, SE1/4 SW1/4, portions of N1/2 SE1/4 and NE1/4 SW1/4, South of the D&RGW Railroad right-of-way.  
Section 7: N1/2 NE1/4, N3/4 NW1/4  
Section 8: NE1/4 NE1/4, N1/2 NW1/4, NW1/4 NE1/4  
Section 9: All  
Section 10: W1/2, SE1/4  
Section 15: W1/2, N1/2 NE1/4  
Section 16: E1/2, NW1/4, E1/2 SW1/4  
Section 17: E1/2 NE1/4

Federal Leases

Federal Coal Leases numbers Salt Lake 062966-063383-Utah 010140, Utah 32083 and SL-068754. Areas within both the leases and the permit area are described as follows:

Township 14 South, Range 13 East, SLB&M, Utah

- Section 1: SE1/4, SE1/4 SW1/4  
Section 12: NW1/4, NE1/4, SE1/4, NE1/4 SW1/4 less the following described area:

Beginning at a point which bears S 1,320 ft from the NW corner of Section 12:

Thence S, 1,320 ft;  
thence S 89° 55' 30" E, 1,327.01 ft;  
thence S, 1,320 ft;  
thence S 89° 53' 15" E, 1,327.22 ft;  
thence S, 1,320 ft;  
thence S 89° 51' E, 1,327.43 ft;  
thence N 45° 05' 07" W, 5,623.40 ft to the point of beginning.

- Section 13: Portions of NE1/4 NE1/4, E1/2 SE1/4, SW1/4 SE1/4, SE1/4 SW1/4, NE1/4 SW1/4, NW1/4 SW1/4, SW1/4 NW1/4 which are shown on Plate II-2 of the Mining and Reclamation Plan (MRP).
- Section 24: S1/2 SE1/4, Portions of N1/2 NE1/4, SE1/4 NE1/4, N1/2 SE1/4 and NE1/4 SW1/4 which are shown on Plate II-2 of the MRP.
- Section 14: Portions of NE1/4 which is shown on Plate II-2 of the MRP.
- Section 11: Portions of SW1/4 SE1/4 which is shown on Plate II-2 of the MRP.
- Section 25: NE1/4 NE1/4

Township 14 South, Range 14 East, SLB&M, Utah

- Section 6: N1/2 SW1/4  
Section 7: W1/2 SW1/4  
Section 8: SW1/4, SW1/4 SE1/4  
Section 17: W1/2 NW1/4, NE1/4 NW1/4, N1/2 SE1/4  
Section 18: E1/2 NW1/4, NW1/4 NW1/4  
Section 30: NW1/4 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4, S1/2 SE1/4, NE1/4 SE1/4  
Section 31: NW1/4 NE1/4

Carbon County Lease

Township 14 South, Range 14 East, SLM, Utah

Section 21: SE1/4  
Section 27: SW1/4, SW1/4 NW1/4  
Section 34: E1/2

Township 15 South, Range 14 East, SLM, Utah

Section 3: E1/2  
Section 10: NE1/4

This legal description is for the permit area (as shown on Attachment A) of the Sunnyside Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit becomes effective on January 20, 1991, and expires on January 20, 1996.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, Division. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R614-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) have the rights of entry provided for in 30 CFR 840.12, R614-400-220, 30 CFR 842.13 and R614-400-110;

- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R614-400-100 and R614-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

**Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

**Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

**Sec. 9 CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

**Sec. 10 EXISTING STRUCTURES** - As applicable, the permittee will comply with R614-301 and R614-302 for compliance, modification, or abandonment of existing structures.

- Sec. 11 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 12 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 13 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 14 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 15 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.
- Sec. 16 APPEALS** - The permittee shall have the right to appeal as provided for under R614-300-200.

The above conditions (Secs. 1-16) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By:           Dianne R. Nelson          

Date:           1-18-91          

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

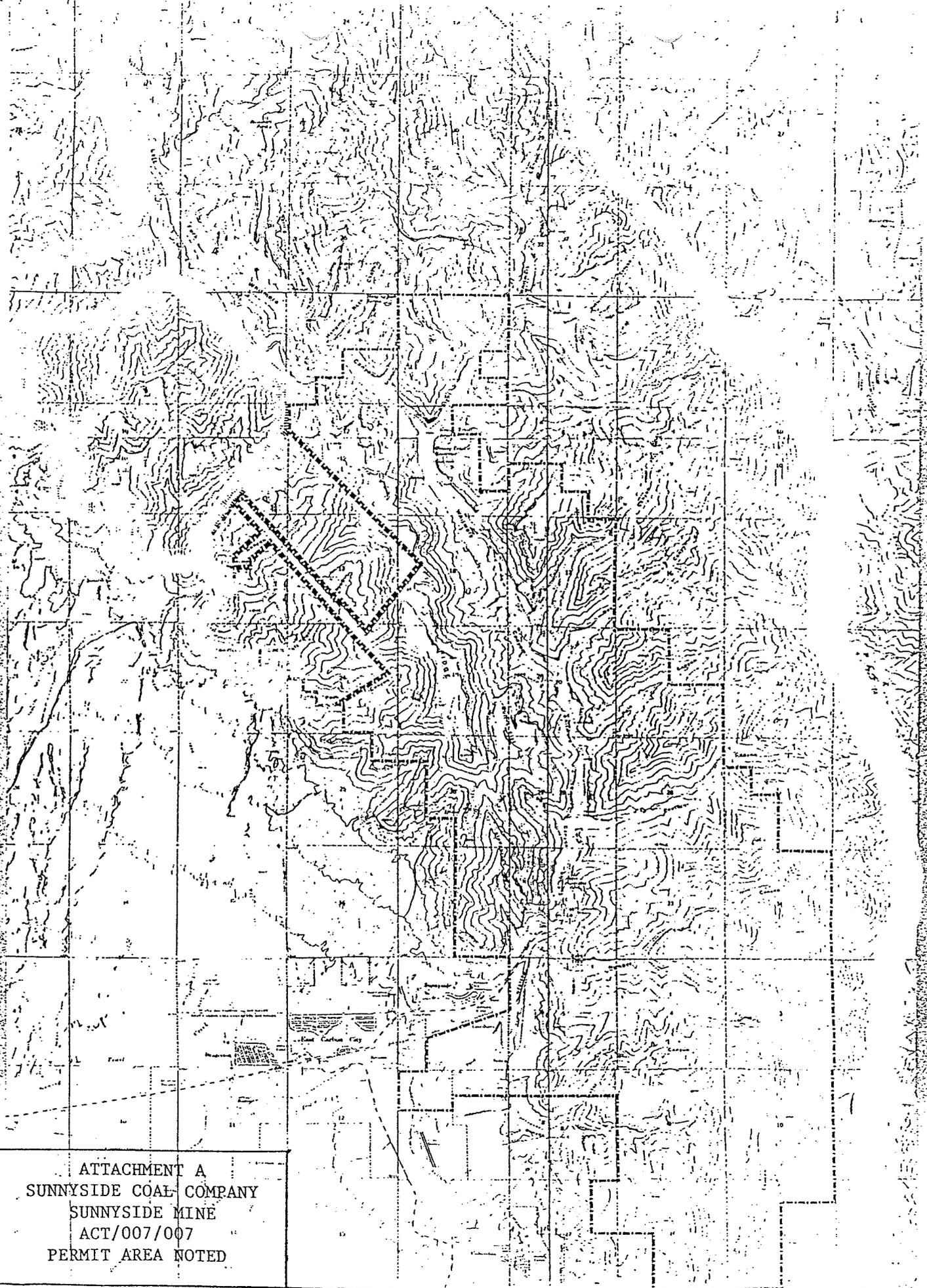
          Joe Fielder            
Authorized Representative of the Permittee

Date:           1/24/91          

APPROVED AS TO FORM:

By:           [Signature]            
Assistant Attorney General

Date:           1/22/91



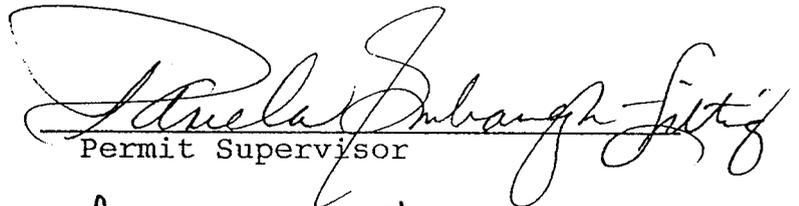
ATTACHMENT A  
SUNNYSIDE COAL COMPANY  
SUNNYSIDE MINE  
ACT/007/007  
PERMIT AREA NOTED

FINDINGS  
FIVE-YEAR RENEWAL  
Sunnyside Coal Company  
Sunnyside Mine  
~~ACT/007/007~~  
Carbon County, Utah  
January 20, 1991

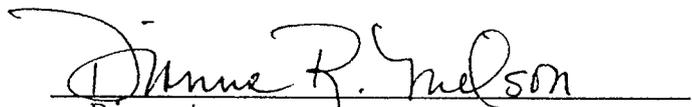
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DIVISION OF  
OIL, GAS & MINING

1. The terms and conditions of the existing permit are being satisfactorily met. (R614-303-233.110)
2. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program. (R614-303-233.120)
3. The requested renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas. (R614-303-233.130)
4. The operator has provided evidence of having liability insurance. (R614-303-233.140) (Federal Insurance Company-Policy Number 3528-55-64)
5. The operator has provided evidence that a performance bond is in effect for the operation and will continue in full force and effect for the proposed period of renewal. (R614-303-233.150) (First Deed of Trust for Undisturbed Lands and Water Rights)

  
Permit Supervisor

  
Associate Director

  
Director