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United States Department of the Interior



OFFICE OF SURF,
Reclamation and I
Applicant/Violator
1300 New Circle
Lexington, KY 4

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

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To <i>Joe Helfrich</i>	From <i>Earl Bandy</i>
Dept./Agency	Phone # <i>OSU/AUS</i>
Fax # <i>801 359 3940</i>	Fax #

NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

January 27, 1995

Copy [unclear], Jim, Pam
ACT/1007/103 # 3
ACT/1007/107 # 3

Mr. Roger Schaeffer
Wyoming Department of Environmental Quality
Herschler Building, 4th Floor West
122 West 25th Street
Cheyenne, WY 82002

Dear Mr. Schaeffer:

In a letter dated November 21, 1994, Ms. Deanna Hill of your office notified Puron Corporation (Puron) that their application for license to mine Permit No. 237-T4 was denied due to a bond forfeiture on Permit No. INA007013 belonging to Kaiser Coal Corporation (Kaiser Coal) and Charles S. McNeil. This particular bond forfeiture violation has been a system problem in the Applicant/Violator System (AVS) for over a year. This letter resolves Puron's permit block which currently exists due to the erroneous information regarding the bond status of Kaiser Coal's Permit No. INA007013, and offers suggestions for Wyoming's permit recommendation process so that similar incidents do not occur.

This problem first came to our attention in November of 1993 when an individual associated with Kaiser Coal was permit blocked due to the bond forfeiture on Permit No. INA007013. Subsequent investigation into this matter determined that this bond forfeiture had never occurred but had been entered into the system in error. Please see the enclosed copy of a letter dated December 23, 1993, from the Utah Department of Natural Resources which explains that Permit No. INA007013 was not forfeited. Corrections were made at that time and this bond forfeiture violation was removed from the AVS.

Almost a year later it came to our attention that this violation was again contained in the AVS. We estimate that this violation "reappeared" due to the AVS conversion to a new hardware/software system in October of 1994. In November 1994 we attempted to purge this violation from the new system, but without success due to technical reasons incident to converting to the new system. The problem was then forwarded to our Information Systems Management group who plans to correct this problem over the weekend of February 11 and 12, 1995.

Mr. Roger Schaeffer

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For your information, State Regulatory Authorities normally request an Office of Surface Mining Reclamation and Enforcement (OSMRE) recommendation prior to application processing or permit issuance. Given the changing nature of information in AVS due, in part, to continual data feeds and ongoing investigations and research, there may be a "gap" of information between what is currently contained in the AVS and that which is known to actually exist. Accordingly, as a quality control measure, the AVS office conducts an evaluation of several information sources prior to rendering an OSMRE recommendation. This OSMRE recommendation may sometimes "override" the computer system recommendation due to information that is available to the AVS office that has not yet filtered into the AVS. Therefore, the OSMRE recommendation is the actual recommendation used by the State Regulatory Authorities prior to application processing or permit issuance.

We have no record of Wyoming obtaining an OSMRE recommendation prior to Ms. Hill's November 21st letter. Had an OSMRE recommendation been requested, the status of the Utah bond forfeiture would have been considered and the system "Deny" recommendation would have been overridden to "Issue" by this office.

We regret that the data problems on the bond forfeiture occurred. In the future, we urge that you request an OSM recommendation before officially notifying a company of their status or issuing a permit.

If you have any questions, or if we may be of any assistance, please call me at 606-233-2797.

Sincerely,



Lawrence E. Grasch, Chief
Lexington AVS Office

Enclosure

1. Letter dated 12/23/93 from James W. Carter to Keith Harrison

cc: Joe Helfrich, Utah Department of Natural Resources
Utah Division of Oil, Gas and Mining
Albuquerque Field Office
Casper Field Office



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

Michael O. Leavitt
 Governor

Ted Stewart
 Executive Director

James W. Carter
 Division Director

355 West North Temple
 3 Triad Center, Suite 350
 Salt Lake City, Utah 84180-1203
 801-538-5340
 801-358-3840 (Fax)
 801-538-3319 (TDD)

December 23, 1993

Keith Harrison
 Office of Surface Mining
 Reclamation and Enforcement
 Application/Violator System Office
 1300 New Circle Road, NE
 Lexington, Kentucky 40505-4215

Re: Clarification of December 17, 1993 Stonie Barker AVS Check Letter

Dear Mr. Harrison:

This letter is written pursuant to our conversation today clarifying the status of Kaiser Coal Company's AVS block entered by the State of Utah. Kaiser previously operated the Sunnyside Coal Mine in Utah under permit No. INA/007/013. Although Kaiser Coal Company filed for bankruptcy, the State of Utah did not forfeit Kaiser's bond under this permit. The entry of a permit block for Kaiser Coal Company for bond forfeiture was therefore erroneous.

Kaiser is not presently in violation of the Utah State program and there is no basis for a Utah State permit block on the AVS system. I will ensure that the erroneously entered information will be removed from the AVS system at the earliest possible date. Please contact me if you have further questions.

Very truly yours,

James W. Carter
 Director

jbe

cc: Dr. Anneta Clark
 Denise Dragoo, Esq.

L:CLARIFIC.DEC