

0012



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
801-359-3940 (Fax)
801-538-5319 (TDD)

Permit Binder

March 30, 1995

TO: Lowell P. Braxton, Associate Director, Mining

FROM: Pamela Grubaugh-Littig, Permit Coordinator *pgl*

RE: Sunnyside Questions, Memo of March 17, 1995, Sunnyside Coal Company, Sunnyside Mine, ACT/007/007, Folder #2, Carbon County, Utah

I have done the file search for the items (1b), (1c) and (7) outlined in your memo of March 17, 1995. Pursuant to item (7), I have consolidated files from the Assistant Attorney General's file and the Division Director for central files.

Item 1 (b) referred to the B Canyon portals in the reclamation agreement. The initial permit of January 20, 1986 issued to Kaiser Coal Corporation, the permit transferred to Sunnyside Reclamation and Salvage, Inc. on May 26, 1989 and the renewed permit of January 20, 1991 included the "B" Canyon portals in the legal description as T14S, R13E, portions of Sections 11, 13, 14, and 24. Additionally, the permit area maps included in the 1991 annual report, submitted on February 13, 1992 included this area on the permit map. From my record search of this area, there was no application to remove this from the permit area. There were several submittals of updated permit application packages in 1992 and 1993, which were never approved. Some of the permit maps indicate in those submittal did not include the "B" Canyon portal in the permit area.

Item 1 (c) referred to the removal of Grassy Trail Reservoir from the reclamation agreement area. The Grassy Trail Reservoir was included in the initial permit issued on January 20, 1986, the permit transferred to Sunnyside Reclamation and Salvage issued on May 26, 1989, and the renewed permit on January 20, 1991 as T14S, R14E, portions of Sections 6 and 7. The Decision Document dated January 16, 1986 in the Environmental Assessment, Surface Water Hydrology, page 5 states: "Grassy Trail Reservoir was created on Grassy Trail Creek to provide water to the towns of Sunnyside and East Carbon City. It is located within the permit area at the confluence of the Left and Right Forks of Grassy Trail Creek".

Further, the initial Technical Analysis dated December 1985, pursuant to UMC 817.56 "Postmining Rehabilitation of Sedimentation Ponds, Diversion, Impoundments



and Treatment Facilities" the compliance portion states that, "The applicant's commitment to reclaim all ponds and diversion while maintaining the liability for Grassy Trail Reservoir is in compliance with this section. Should the ownership of the reservoir to the municipalities currently using reservoir water before bond release, Kaiser has committed to renovate, if needed the dam and reservoir to the specification for the dam previously approved by the Dam Safety Division of the state of Utah ".

In a personal communication with Pete Hess, a previous employee of Sunnyside Coal Company and currently an employee of the Division, he stated that he did inspections with the State Engineer, Utah Dam Safety of the reservoir in 1992 and 1993 due to the responsibility of Sunnyside Coal Company. Any problems noted were corrected by Sunnyside Coal Company such as foliage on the embankment and the repair of the log boom. Byron Allred conducted subsidence surveys for the dam alone, not for mining-related subsidence.

In a personal communication with Gary Gray, a previous employee of Sunnyside Coal Company, he recalled that there was a court case with MSHA in the mid-1970's that determined the Grassy Trail Reservoir would not be inspected by MSHA because it was not mining-related. I am currently pursuing documenting that information with MSHA.

I have attached the pertinent documentation relative to the above-noted items.

cc: James Carter
Tom Mitchell
Randy Harden
Daron Haddock

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING

This permit, UT-0014, which incorporates Utah Permit ACT/007/007 is issued for the United States of America by the Office of Surface Mining Reclamation and Enforcement (OSMRE) to

Kaiser Coal Corporation's
Sunnyside Coal Mines
Sunnyside, Utah 84539

for the Sunnyside mines. Kaiser Coal Corporation is the lessee of Federal coal leases Nos. SL-062966, SL-063383, SL-068754, U-010140, and U-32083

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. 1201 et seq., hereafter referred to as SMCRA, and the Federal coal lease(s) issued pursuant to the Mineral Leasing Act of 1920, as amended, 30 U.S.C. 181 et seq., the Federal Coal Leasing Amendments Act of 1976, as amended 30 U.S.C. 201 et seq. and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended, 30 U.S.C. 351 et seq. This permit is also subject to all regulations of the Secretary of the Interior including, but not limited to, 30 CFR Chapter VII and 43 CFR Part 3400, and to all regulations of the Secretary of Energy promulgated pursuant to Section 302 of the Department of Energy Organization Act of 1977, 42 U.S.C. 7152, which are now in force or, except as expressly limited herein, hereafter in force, and all such regulations are made a part hereof.

Sec. 2 The permittee is authorized to conduct surface coal mining and reclamation operations on Federal lands, as well as on such other lands affecting or affected by those operations on Federal lands situated in the State of Utah, Carbon County, and located within:

Township 14 South, Range 14 East, SLM,
All or portions of Sections 6-9, 17-21, 27-34;

Township 14 South, Range 13 East, SLM,
All or portions of Sections 1, 11-14, 24, 25;

Township 15 South, Range 14 East, SLM,
All or portions of Sections 3-10, 15-17;

and to conduct surface coal mining and reclamation operations on the foregoing described property as shown on the attached maps subject to the conditions of the lease and the approved mining plan, and all other applicable conditions, laws, and regulations.

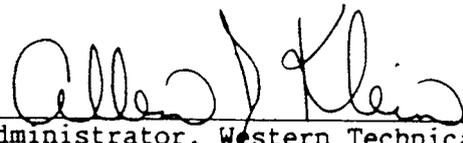
- Sec. 3 This permit will expire on January 7, 1991, except that this permit will terminate if the permittee has not begun the surface coal mining and reclamation operations covered herein within 3 years of the date of permit issuance.
- Sec. 4 The permit rights may not be transferred, assigned, or sold without the approval of the Director, OSMRE. Request for transfer, assignment, or sale of permit rights must be done in accordance with 30 CFR 740.13(e) and UMC 788.18.
- Sec. 5 The permittee shall allow the authorized representatives of the Secretary, and the Utah Division of Oil, Gas and Mining, including but not limited to inspectors and fee compliance officers, 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 842.13 and UMC 840.12 and 842.13,
 - b. Be accompanied by a private person for the purpose of conducting an inspection in accordance with 30 CFR 842.12 and UMC 842.12, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 The permittee shall conduct surface coal mining and reclamation operations only on those lands specifically designated as being within the permit area on the maps submitted in the permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 The permittee shall minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of this permit by including, but not being limited to:
- a. Accelerated monitoring 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. 8 The permittee shall dispose of solids, sludge, filter backwash, or pollutants removed in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable State or Federal law.
- Sec. 9 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 Utah Division of Oil, Gas and Mining and OSMRE, the approved Utah State Program, and the Federal Lands Program.
- Sec. 10 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. 11 Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with SMCRA, the approved Utah State Program and the Federal Lands Program.
- Sec. 12 If during the course of mining operations previously unidentified prehistoric or historic resources are discovered, the permittee shall ensure that the resource(s) is not disturbed and shall notify Utah DOGM and OSMRE. Utah DOGM, after coordination with OSMRE shall inform the permittee of necessary actions required.
- Sec. 13 The operator shall pay all reclamation fees required by 30 CFR Chapter VII, Subchapter R for coal produced under this permit.
- Sec. 14 APPEALS - The permittee shall have the right to appeal: (a) under 30 CFR 775 from an action or decision of any official of OSMRE; (b) under 43 CFR 3000.4 from an action or decision of any official of the Bureau of Land Management; (c) under 30 CFR 290 from an action, order, or decision of any official of the Minerals Management Service; or (d) under applicable regulations from any action or decision of any other official of the Department of the Interior arising in connection with this permit.

Sec. 15 SPECIAL CONDITIONS - The permittee shall comply with the terms and conditions set out in the lease, Utah State permit ACT/007/007, and this permit. In addition, the permittee shall comply with the special conditions of Utah Permit ACT/007/007 and the special Federal conditions appended hereto as Attachment B. These conditions 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. In accordance with 30 CFR Part 774 (1983), these conditions may be revised or amended, in writing, by the mutual consent of the grantor and the permittee at any time to adjust to changed conditions or to correct an oversight. The grantor may, by order, require reasonable revisions of this permit to ensure compliance with SMCRA and the regulatory program.

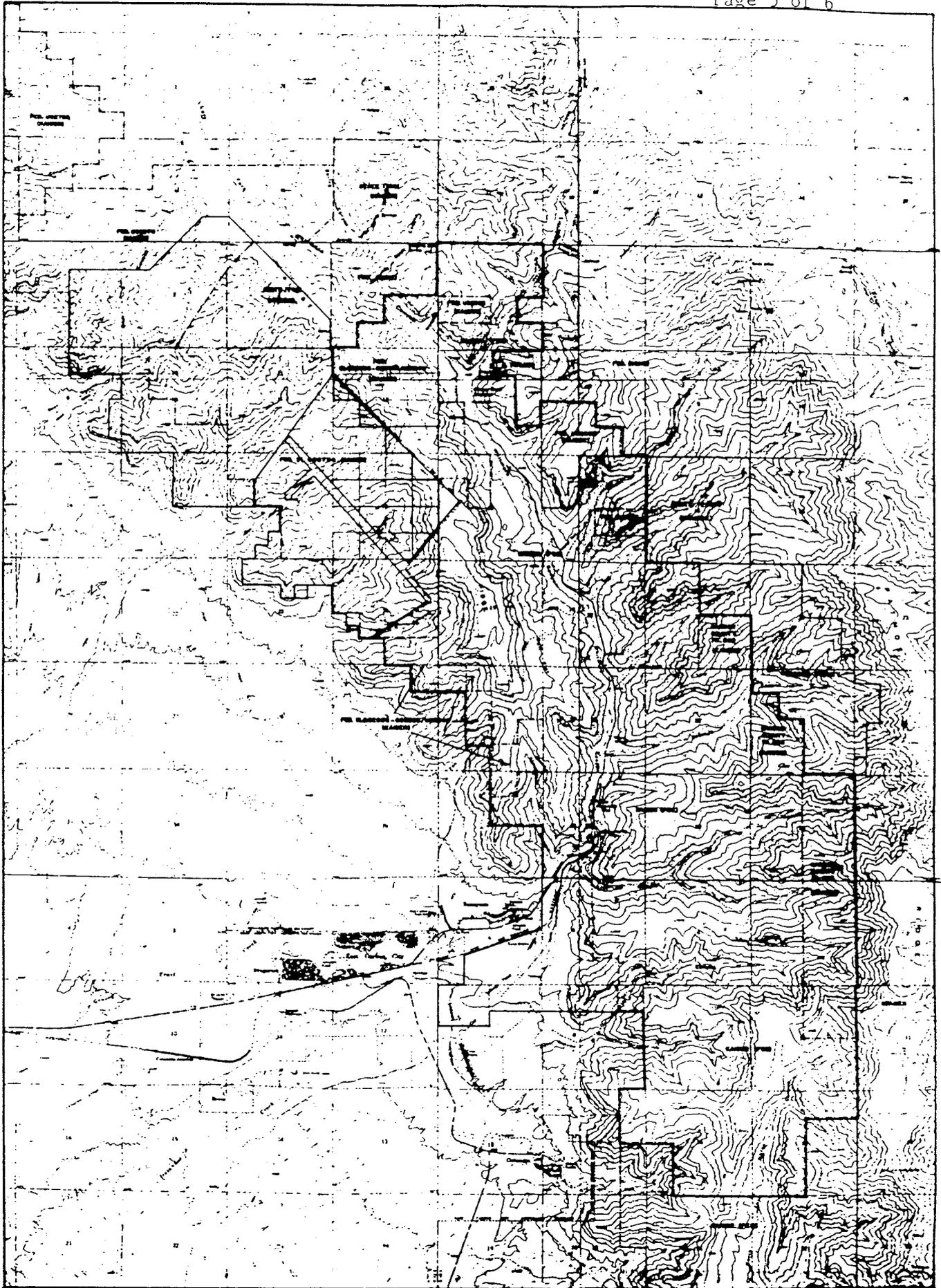
OFFICE OF SURFACE MINING

By:



Administrator, Western Technical Center

1/7/86
Date



ATTACHMENT B

SPECIAL CONDITIONS

- Special Condition 1. At such time as OSMRE, in consultation with the Utah Division of Oil, Gas and Mining and the State Historic Preservation Officer (SHPO), determines that subsidence within the permit area may adversely affect known or unrecorded cultural resources, additional cultural resource studies may be required. This determination will be based on new subsidence or new cultural resource information.
- Special Condition 2. All underground workings abandonment plans, including sealing of portals, shall include on-site inspections and approvals by personnel of the Bureau of Land Management, Branch of Solid Minerals.

FEDERAL
(February 1985)

Permit Number ACT/007/007, 1/86

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

RECEIVED
JUN 08 1989

DIVISION OF
OIL, GAS & MINING

This permit, ACT/007/007, which incorporates the Office of Surface Mining (OSM) Permit UT-0014, 1/86, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Sunnyside Reclamation and Salvage, Inc.
1200 Hudson's Bay Centre
1600 Stout Street
Denver, Colorado 80202-3133

for the Sunnyside Mine. Sunnyside Reclamation and Salvage, Inc. is the lessee of federal coal leases SL 062966-063383, U 010140, U 32083, SL 068754, and/or the lessee/owner of certain fee-owned parcels listed in the Legal Description following Section 2. The permit is not valid until DOGM has received 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 UCMRA.

Sec. 2 The permittee is authorized to conduct surface coal mining and reclamation operations on the following described lands (as shown on ownership map) within the permit area at the Sunnyside Mines situated in the state of Utah, Carbon County, and located:

Fee Land

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

Sec. 6: N1/2, S1/2 SW1/4, S1/2 SE1/4, NW1/4 SE1/4

Sec. 7: NW1/4, SW1/4 NE1/4, E1/2 SW1/4, S1/2 SE1/4, NW1/4 SE1/4

Sec. 17: NE1/4, SE1/4 NW1/4, SW1/4, S1/2 SE1/4

Sec. 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.

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

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

Sec. 3: W1/2
Sec. 4: All
Sec. 5: NE1/4, N1/2 SE1/4, SE1/4 SE1/4, W1/2, SW1/4 SE1/4
Sec. 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.
Sec. 7: N1/2 NE1/4, N3/4 NW1/4
Sec. 8: NE1/4 NE1/4, N1/2 NW1/4, NW1/4 NE1/4
Sec. 9: All
Sec. 10: W1/2, SE1/4
Sec. 15: W1/2, N1/2 NE1/4
Sec. 16: E1/2, NW1/4, E1/2 SW1/4
Sec. 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

Sec. 1: SE1/4, SE1/4 SW1/4
Sec. 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 place of beginning.

Sec. 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).

Sec. 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.

Sec. 14: Portions of: NE1/4 which is shown on Plate II-2 of the MRP.

Sec. 11: Portions of: SW1/4 SE1/4 which is shown on Plate II-2 of the MRP.

Sec. 25: NE1/4 NE1/4

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

Sec. 6: N1/2 SW1/4

Sec. 7: W1/2 SW1/4

Sec. 8: SW1/4, SW1/4 SE1/4

Sec. 17: W1/2 NW1/4, NE1/4 NW1/4, N1/2 SE1/4

Sec. 18: E1/2 NW1/4, NW1/4 NW1/4

Sec. 30: NW1/4 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4, S1/2 SE1/4, NE1/4 SE1/4

Sec. 31: NW1/4 NE1/4

Carbon County Lease

Salt Lake Meridian, Utah

Township 14 South, Range 14 East

Sec. 21: SE1/4

Sec. 27: SW1/4, SW1/4 NW1/4

Sec. 34: E1/2

Township 15 South, Range 14 East

Sec. 3: E1/2

Sec. 10: NE1/4

This legal description is for the permit boundary (as shown on the permit area map) of the Sunnyside Mines. The permittee is authorized to conduct surface and reclamation operations connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, and OSM permit UT-0014, 1/86, to be issued January 6, 1986, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 This permit is issued for a term of five (5) years commencing from January 20, 1986 and expiring on January 20, 1991, except that this permit will terminate if the permittee has not begun the surface coal mining and reclamation operations covered herein within three (3) years of the date of issuance.

- Sec. 4 The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Request for 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 UMC 788.17-.19.
- Sec. 5 The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of the Office of Surface Mining, 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, UMC 840.12, 30 CFR 842.13 and UMC 842.13; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with UMC 842.12 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 The permittee shall conduct surface coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the mining plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 The permittee shall minimize any adverse impact to the environment or public health and safety including but not limited to:
- A. accelerated monitoring 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. 8 The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.
- Sec. 9 The lessee 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 DOGM and OSM 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 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. 11 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. 12 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. 13 If during the course of mining operations, previously unidentified cultural resources are discovered, the applicant shall ensure that the site(s) is not disturbed and shall notify the state Regulatory Authority (RA). The state RA, after coordination with OSM, shall inform the operator of necessary actions required.
- Sec. 14 APPEALS - The lessee shall have the right to appeal: (a) under 30 CFR 775 from actions or decisions of any official of OSM; (b) under 43 CFR 3000.4 from an action or decision of any official of the Bureau of Land Management; (c) under 30 CFR 290 from an action, order or decision of any official of the Minerals Management Service; or (d) under applicable regulations from any action or decision of any other official of the Department of the Interior arising in connection with this permit. In addition, the lessee shall have the right to appeal as provided for under UMC 787.
- Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and of performance set out in the leases, OSM permit UT-0014, 1/86 and this permit, the permittee shall comply with the special conditions of OSM permit UT-0014, 1/86 and the conditions appended hereto as Attachment A.

The above conditions (Secs. 1-15) 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 grantor and the permittee at any time to adjust to changed conditions or to correct an oversight. The grantor may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: James R. Nelson
Date: May 26/1989

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

James T. Cooper
Authorized Representative of
the Permittee
Date: June 6, 1989

APPROVED AS TO FORM:

By: Barbara W. Roberts
Assistant Attorney General
Date: May 26, 1989

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

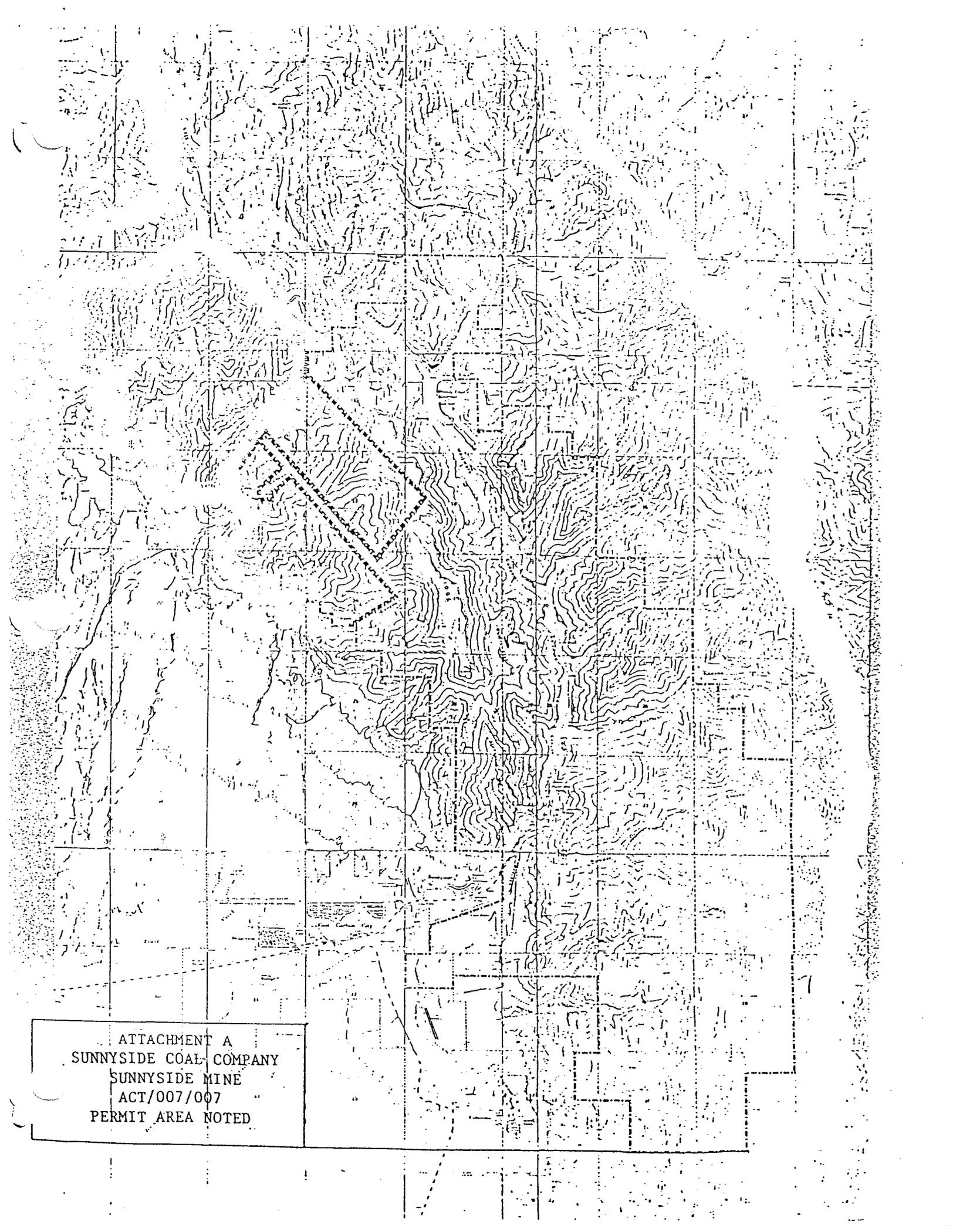
By: *Jeanne R. Nelson*
Date: 1-18-91

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

A topographic map showing contour lines and a grid. A specific area is outlined with a dashed line, indicating a permit area. The map is oriented vertically with the grid lines forming a rectangular pattern.

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

Compliance

The applicant's commitment to replace water impacted by mining satisfies the requirements of this regulation. Further, Kaiser owns water rights for a portion of Grassy Trail Creek (see Figure III-3), 2,000 ac/ft annually on Range Creek and 1,000 ac/ft per year of water on the Price River (Section 7.2.3.1, MRP). These can feasibly be used to replace affected water.

Stipulations

None.

UMC 817.55 Discharge of Water Into An Underground Mine - JW

Existing Environment and Applicant's Proposal

No water from surface sources is utilized in the underground mine workings at the Sunnyside Mines. Sufficient water from natural ground water inflows is encountered within the mine for dust suppression, with excess water being pumped to the surface (page 17, Chapter 7, MRP).

Compliance

A review of the surface water drainage plan does not indicate any diversion of water into underground workings. The applicant is in compliance with this section.

Stipulations

None.

UMC 817.56 Postmining Rehabilitation of Sedimentation Ponds, Diversions, Impoundments and Treatment Facilities - JW

Existing Environment and Applicant's Proposal

Section 3.5.3.3 of the MRP describes the disposition of dams, ponds and diversions. The only impoundment proposed to remain after reclamation is Grassy Trail Reservoir. The reservoir supplies culinary water to two municipalities and will continue to do so after mining. The MRP notes that if the reservoir is not transferred to the municipalities using it, that Kaiser will maintain ownership and liability of the reservoir. Culverts and diversions proposed to remain after mining are described in Chapter 3, Appendix III-1 and Appendix III-12.

Compliance

The applicant's commitment to reclaim all ponds and diversions while maintaining the liability for Grassy Trail Reservoir is in compliance with this section. Should the ownership of the reservoir be transferred to the municipalities currently using reservoir water before bond release, Kaiser has committed to renovate, if needed, the dam and reservoir to the specifications for the dam previously approved by the Dam Safety Division of the state of Utah (Section 3.5.3.3, MRP).

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.57 Stream Buffer Zones - JW

Existing Environment and Applicant's Proposal

Grassy Trail Creek is the only stream that supports a biological community within the permit area. The Reservoir Road parallels Grassy Trail Creek for several miles and at several locations is less than 100 feet from the stream. The Reservoir Road was built prior to SMCRA, as is the case with most roads within the mine permit area.

Stream buffer zone markers are posted along Grassy Trail Creek. Due to pre-Law disturbances the buffer zone is less than 100 feet in some locations. Plate III-26 shows locations of buffer zone signs.

Compliance

The applicant has encroached upon the 100-foot buffer zone required by UMC 817.57. This encroachment initially occurred prior to enactment of SMCRA and still occurs because of the need to utilize the reservoir road. In the areas of encroachment, the applicant has complied with UMC 817.57(b) by posting signs designating the area as a stream buffer zone.

The Winget report (1980) states that some degradation to Grassy Trail Creek has occurred. This degradation of water quality and stream bed sediment may be due to untreated mine water discharge. It is also possible that some degradation may have resulted from runoff from the Reservoir Road. However, no data exist to determine what the exact source of the degradation was. It cannot be concluded that the Reservoir Road has not adversely affected Grassy Trail Creek. It should be noted that the Reservoir Road is a public road.

ENVIRONMENTAL ASSESSMENT
Kaiser Coal Corporation
Sunnyside Mines
December 1985

1. Introduction

The Sunnyside Mines complex is located in the Book Cliffs coal field in central Utah, approximately 20 miles southeast of Price, in Carbon County. The life-of-mine area encompasses 14,385 acres and is located within: portions of T. 15 S., R. 14 E; T. 14 S., R. 14 E; and T. 14 S., R. 13 E. all from SLM. In this area approximately 2022 acres are Federal coal leased to Kaiser Coal Corporation. The Federal coal leases are SL-062966, SL-063383, U-010140, U-32083, and portions of SL-068754. The majority of the remaining coal is owned by Kaiser Coal Corporation with Carbon County as the owner of a small portion.

The permit area includes 14,385 acres in all or portions of Sections 3-10, 15-17, T. 15 S., R. 14 E; all or portions of Sections 6-8, 17-21, 27-34, T. 14 S., R. 17 E; and all or portions of Sections 1, 11-14, 24 and 25 of T. 14 S., R. 13 E. The mining plan area consists of 2022 acres of Federal coal in portions of Sections 6, 8, 17, 30 and 31 of T. 14 S., R 17. E: and portions of Sections 1, 11-14, 24 and 25 of T. 14 S., R. 13 E. The Sunnyside mines consist of 3 mines, the No. 1 from which most future production will come, the No. 2 and No. 3. Kaiser Steel Corporation operated the mines from 1950 to April 1985 when Kaiser Coal Corporation became the operator. Coal production will occur from the Upper and Lower Sunnyside seams at a rate of 2 million tons per year for twenty five years.

2. Description of the Existing Environment

Topography and Geology

The southwest-facing Book Cliffs are rugged and deeply dissected by box canyons of intermittent streams, which also cut the pediments that slope gently away from the foot of the cliffs toward the Price River. The major drainage in the area is Grassy Trail Creek in Whitmore Canyon which flows from north to south through the permit area and turns west at the escarpment. Icelander Creek flows roughly parallel to Grassy Trail Creek but drains only the escarpment face and associated pediments. The proposed B Canyon mine is named for a box canyon immediately north of the facilities area which is located at the point where Grassy Trail Creek leaves Whitmore Canyon. C Canyon is the next box canyon north of B Canyon. Altitudes range from 6400 feet at the lower tailings pond near the base of the cliffs to more than 9000 feet at the top of the ridge. Large boulders and smaller debris of sandstone from rock slides and rock falls are strewn along the sides of the cliff-rimmed canyons and the pediments beyond the canyon mouths.

These pediments are erosional surfaces on bedrock that have relief and are partly veneered by alluvium. They slope gently away from the escarpment. All proposed access and utility routes cross the pediment and the intermittent streams that drain southwestward.

The Castlegate Sandstone and other thick sandstone beds of the Upper Cretaceous Mesaverde Group (fig. 1) form cliffs and account for the rugged topography. Above this section in the lease area, the Price River, North Horn, Colton, and Green River Formations are also exposed. The Mancos Shale underlies the Mesaverde Group at the base of the cliffs. The regional strike is parallel to the face of the Book Cliffs and dips are 7° to 10° to the northeast, away from the cliff face. Doelling (1972, p. 383, and figure 36, p. 384, 385) indicates a northwest-trending fault in the southern part of secs. 10 and 11, T. 14 S., R. 13 E. A parallel fault 0.8 miles southwest is outside the southwest boundary of the property. Displacement on the faults exceeds 100 feet in some places. The only faults within the permit area cross the area where the coal has been removed by past mining operations.

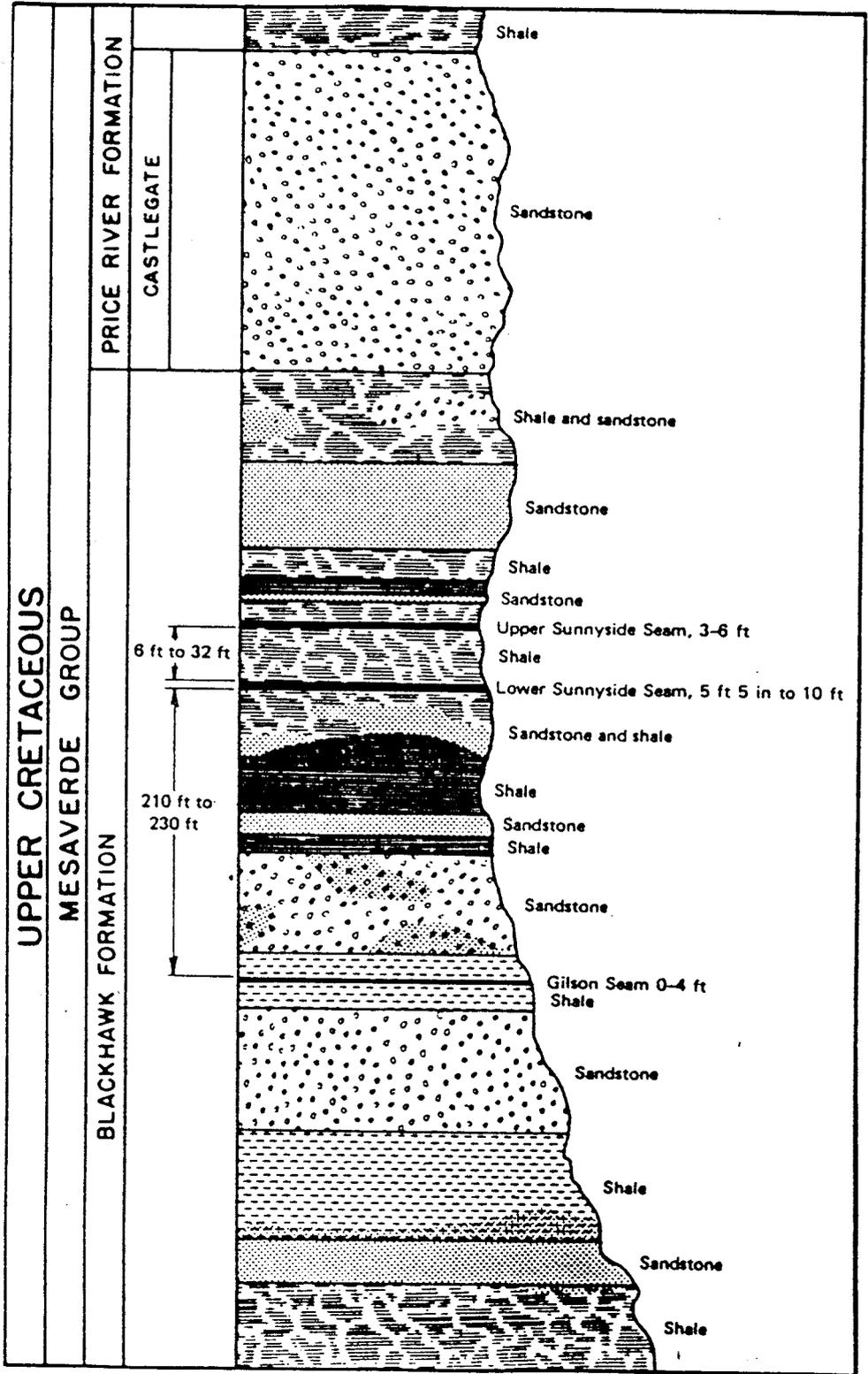
Climate and Air Quality

The climate of the area is varied and strongly influenced by topography. The lower elevations are dry and either middle latitude steppe or desert. The low amounts of annual precipitation are generally caused by the Sierra Nevada and Cascade Ranges, which deplete Pacific storms of their moisture before they reach the area. However, some of the higher terrain of the eastern portion is able to cause enough upslope flow to receive over 20 inches of precipitation, with areas on the lee side receiving less than 8 inches.

Winds are generally light to moderate, with average speeds below 20 mph. Tornadoes are very rare, but strong winds may occur, particularly in mountain passes and canyons.

Temperature and precipitation are spatially and seasonally highly variable with monthly average temperatures ranging at the town of Sunnyside, Utah, NOAA station from the 20's in January to the high 60's in July and yearly precipitation ranging from 8 to 19 inches.

Air quality has not been monitored near the site. The Sunnyside operation is "grandfathered" insofar as air quality standards are concerned. An annual average background level of total suspended particulates (TSP) for rural locations in central and southern Utah of 20 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$) has been estimated by AeroVironment (1977). During periods of high wind, short-term TSP standards can be exceeded in rural Utah areas as a result of wind-blown dust. The background visual range was estimated to be 37 miles (60 km) and was based on the background TSP estimate (AeroVironment, 1977). Measurements of atmospheric visibility (visual range or discoloration) are extremely limited in the area.



Values of visual distance derived from light-scattering measurements from an integrating nephelometer averaged 67 miles for the period September 1970 to March 1971. Average visual range calculated from particle size distribution at Bear Creek and Huntington Canyon in 1974, was approximately 45 miles. Analysis of photographs taken at Clawson, Utah from January to June 1974, indicated 50 mile visibility 49 percent of the time. Visibility was reduced below 5 miles only 12 percent of the time. Visibility measurements at Cedar Mountain, east of Castle Dale averaged 94 miles in November-December 1976, and 54 miles in April 1977.

Vegetation

Chapter IX of the permit application package (PAP) describes the 18 vegetation community types which have been identified within the permit area. These vegetation types include: (1) aspen; (2) Douglas fir; (3) Douglas fir/aspen; (4) Douglas fir/mountain brush; (5) Douglas fir/aspen/mountain brush; (6) Douglas fir/pinyon-juniper; (7) Douglas fir/sagebrush; (8) mountain brush; (9) pinyon-juniper; (10) pinyon-juniper/grass; (11) pinyon-juniper/mountain brush; (12) pinyon-juniper/sagebrush; (13) riparian/bullrush/sedge; (14) riparian/cottonwood grove; (15) riparian willow; (16) sagebrush/grass; (17) sagebrush/mountain brush; and, (18) agriculture/hay field. On these communities, only four (underlined above) have been or will be disturbed by surface facilities of the mine.

A total of 287.36 acres have been disturbed since 1977. These are mountain brush (13.88 acres), pinyon-juniper (13.16 acres); pinyon-juniper/grass (175.42 acres), and sagebrush/grass (84.9 acres).

Wildlife and Fishing

The variety of wildlife species in and near the proposed mine development is large. Vertebrates number nearly 360 species, (Colton and others, 1977) of which the better known species are mule deer, mountain lion (cougar), black bear, coyote, red fox, gray fox, kit fox, bobcat, raptors, chukar partridge, blue and ruffed grouse, mourning doves, and rabbits. Several squirrel, chipmunk, and mice species inhabit the area and whitetailed prairie dogs are near the proposed access routes and mine plant site. These species are prey to badgers, skunks, bobcats, coyotes, foxes and raptors. Several species of lizards, snakes, and other reptiles are throughout the area, but no gamefish are in the vicinity.

The mine is in Utah's 1,169,000-acre deer herd unit 27B winter range. Winter range is the limiting factor on deer population.

Mountain lions range in the vicinity of the proposed mine. These usually solitary and sensitive animals (Seidensticker and others, 1973) establish home areas closely associated with the seasonal distribution of deer, which serve as their primary food source.

Black bears are in the area. Based on Utah harvest figures, unit 27B ranked second highest in the State, with 31 taken during 1967-76. Black bears maintain well-defined home areas that are mostly linear, oriented upslope and downslope (Jonkel and Cowan, 1971) and that are stable from year to year. The availability and distribution of food influences movements (Amstrup and Beecham, 1976).

The black-footed ferret is an endangered species and much of the pediment slope southwest of B Canyon is listed as potential black-footed ferret range because of the presence of prairie dog towns. (Hinckley, 1970, Scott and others, 1977). However, as of 1978, no black-footed ferrets have been identified in or near B Canyon. This is outside the permit area.

A wide variety of perching birds inhabit the area year-round. Raptors use the entire area year-round. They nest on cliffs and ledges or in trees, depending on the species preference. The pediment slope southwest of the Book Cliffs provides hunting fields. Small animals, birds, and reptiles are the food source.

Chukar partridge were introduced in 1951 and live along the base of the Book Cliffs around the mouth of B Canyon. Blue and ruffed grouse may be in the vicinity of the proposed mine, and mourning doves are common spring-summer nesting residents. Probably the most important habitat component for nesting doves is available water and second in importance is nest trees (Caldwell, 1964).

Another important wildlife habitat in the permit area is Grassy Trail Creek and its associated riparian vegetation. The Division of Wildlife (DWR) considers riparian habitat critical to many species of wildlife in this region. A put-and-take rainbow (Class 3) fishery exists in a three-mile stretch of Grassy Trail Creek immediately below Grassy Trail Reservoir. The remainder of Grassy Trail Creek and other streams in the permit area represent lower quality aquatic habitat and are designated as Class 5 or 6 by the DWR (Section 10.3.2.1 of the PAP).

Surface Water Hydrology

Four principal drainages occur within the area. These drainages are termed Grassy Trail Creek, Price River-Lower Basin Grassy Trail Creek, Icelander Creek and Price River-Lower Basin Horse Canyon. Grassy Trail Creek drainage has been further subdivided into Right and Left Fork Grassy Trail Creek and Whitmore Canyon/Grassy Trail Creek.

Grassy Trail Creek is ephemeral at its headwaters, becomes intermittent through the mine permit area due to spring flow and becomes perennial below the mine water discharge point.

Icelander Creek and the Horse Canyon drainage are intermittent. Flows are extremely variable due to variable precipitation.

Grassy Trail Reservoir was created on Grassy Trail Creek to provide water to the towns of Sunnyside and East Carbon City. It is located within the permit area at the confluence of the Left and Right Forks of Grassy Trail Creek.

Alluvial Valley Floors

Grassy Trail Creek below the mouth of Straight Canyon is an alluvial valley floor. Approximately, 1,100 acres are or have been irrigated. Twenty-three percent of the flow in Grassy Trail Creek on an average annual basis is mine water discharge.

Ground-water Hydrology

The ground-water regime within the cumulative impact area (CIA) is dependent upon climatic and geologic parameters that establish systems of recharge, movement and discharge.