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ACT/007/009

EUREKA ENERGY COMPANY

A SUBSIDIARY OF **PACIFIC GAS AND ELECTRIC COMPANY**

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DIVISION OF
OIL, GAS & MINING

December 8, 1980

Director
Division of Oil, Gas & Mining
State of Utah
1588 West North Temple
Salt Lake City, Utah 84116

RE: Permit Application - Sage-Point Dugout Canyon
Coal Mine Project, Eureka Energy Company

Dear Sir:

Eureka Energy Company, a wholly owned subsidiary of Pacific Gas and Electric Company, hereby submits an application for a permit to construct and operate underground coal mining facilities (Sage-Point Dugout Canyon Project) to be located in Carbon County, Utah. Enclosed are seven copies of the application and a \$5.00 payment for the permit fee. Under separate cover, seven additional copies of the application are being submitted to the Regional Director, Denver Region, Office of Surface Mining, United States Department of the Interior ("OSM").

Information in this permit application pertaining to the analysis of the chemical and physical properties of coal, results of test boring, and other equivalent information have been marked "Confidential Information". All pages and the maps so marked have been separately placed in Volume 11 for ease of control.

The application contains the information required by the Utah Act Relating to the Regulation of Coal Mining and Reclamation Operations (Chapter 10, Title 40, Utah Code Ann.), the Federal Surface Mining Control and Reclamation Act of 1977, the Permanent Regulatory Program Regulations for Surface Coal Mining and Reclamation Operations of the Department of Interior, and the Regulations

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of the State of Utah Department of Oil, Gas and Mining ("DOGM"). The application is submitted to your office pursuant to the June 11, 1979 Cooperative Agreement between the State of Utah and the U.S. Department of the Interior (the "Cooperative Agreement").

It is our understanding that, pursuant to the Cooperative Agreement, your office will be the point of contact relative to the application, and that all correspondence from DOGM and OSM will be coordinated and sent by DOGM on behalf of both. We also understand that you will forward copies of all written communications, data, documents, or other information received from Eureka to OSM unless you request that we send materials directly.

Eureka is aware of Federal and State regulations which have been suspended as a result of orders issued by Judge Flannery of the Federal District Court for the District of Columbia. Where appropriate, Eureka may, and reserves the right to, amend certain sections of the application after there has been clarification of any of the suspended regulations.

For your information, the following are some of Eureka's staff members who have been involved in the preparation of this application:

P. Bruce Benzler	Manager, Admin. & Regulatory Affairs
Nicolas Temnikov	Regulatory Coordinator
Chris Slaboszewicz	Permit Analyst
Paul Anderson	Geologist
Alex Stillo	Mining Engineer
Jerry Davis	Civil Engineer

We anticipate that after a coordinated review with OSM and other concerned Interior agencies, DOGM will draft a response letter to Eureka outlining the status of the completeness of the application and specifying any deficiencies that might be detected.

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We appreciate your assistance with this permit application
and look forward to working with you and your staff.

Respectfully submitted,



DAVID W. HESS
Vice President and General Manager

Dated Dec 8, 1980

cc: Donald Crane, Regional Director
Region V, Office of Surface Mining
1823 Stout Street
Denver, CO 80202

Encl.