

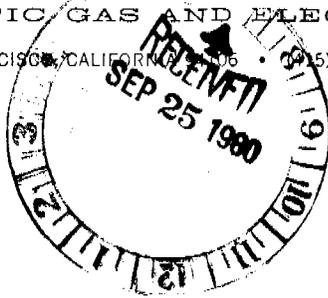
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Route & File
PRO/007/009

EUREKA ENERGY COMPANY

A SUBSIDIARY OF PACIFIC GAS AND ELECTRIC COMPANY

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September 19, 1980

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Bureau of Land Management
900 North 700 East
Price, Utah 84501

Attention: Leon Berggren

RE: Sage Point - Dugout Canyon Coal Mining Project
Carbon County, Utah: Right-of-Way Application
U-35688

Dear Sirs:

Natural Gas Corporation of California filed a group of right-of-way applications by letter dated November 1, 1976 (the "Application"). The applications were for various rights-of-way to be utilized in connection with the Sage Point - Dugout Canyon Coal Mine to be operated by Eureka Energy Company, a wholly owned subsidiary of Pacific Gas and Electric Company. Natural Gas Corporation of California, also a wholly owned subsidiary of Pacific Gas and Electric Company, will assign the right-of-way rights to Eureka Energy Company as they are issued.

Serial number U-35688 was given to that portion of the Application dealing with several roads to be utilized in connection with the mine project.

The Application, was amended by information submitted by letter from Pacific Gas and Electric Company dated April 9, 1979. Application U-35688 was amended again by a letter from Eureka Energy Company dated June 6, 1980.

One of the roads described in the Application provides access to the Fish Creek Mine portal area from the Dugout Canyon County Road. This road, which generally follows a well established jeep trail, is referred to as the "Fish Creek Canyon Road". It is about four miles long.

Subsequent to filing of the Application, it was determined that it would be appropriate for the Fish Creek Canyon Road to be a county road since it will provide the main public access to the important Fish Creek Mine portal area. During the 1980 budget session of the Utah Legislature, an appropriation was approved for construction of the Fish Creek Canyon Road by Carbon County with funds to be provided by Eureka through the prepayment of sales and use taxes. The road will become part of the State County Collector Road System.

Discussions were held with Bureau of Land Management officials in Salt Lake City in September, 1979, concerning the status of the Fish Creek County Road right-of-way application in view of the ultimate transfer to Carbon County. We were advised that an assignment could be made of the Fish Creek Canyon Road portion of the Application but that it would probably be more expedient if such an assignment were made after processing of the Application and issuance of the right-of-way. Therefore, Application No. U-35688, which is currently in the name of Natural Gas Corporation of California, still includes the Fish Creek Canyon Road even though an assignment of that portion of the approved right-of-way to Carbon County is contemplated prior to the commencement of road improvements. The Utah Division of Oil Gas and Mining, which has responsibility for issuance of a permit to Eureka under the Federal Surface Mining Control and Reclamation Act, has been advised of this, and the Division has in turn advised the Federal Office of Surface Mining.

It is the purpose of this letter to ensure that your office is aware of the planned status of the Fish Creek County Road and to request that you advise us if during the course of processing there should occur any need to handle the Fish Creek Canyon portion of the Application any differently than the remainder of the Application.

Thank you for your interest and cooperation.

Very truly yours,


P. BRUCE BENZLER
Manager, Administrative &
Regulatory Affairs

PBB:smj

cc: RFGoudge
CJParr
NKTemnikov
J. Smith, DOG&M ✓