

0014

Hiawatha Coal Company

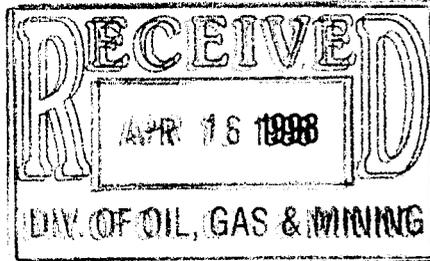
007/011 # 2

CC: Mary Ann, Pam
Joe, Daron,
Susan,

(435) 637-1778
FAX (435) 637-1378

P.O. Box 1202
Huntington, UT 84528

Maryanne Wright
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801



April 8, 1998

Ms. Wright:

Re: Loadout area along the Railroad ROW, Hiawatha Coal Company, Hiawatha Complex, ACT/007/011-DO-97A, Carbon County, Utah

At the request of Elliot Finley, I am sending this letter to address R645-301-142, Item 1, of the permit deficiencies pertaining to Division Order 97A, issued to United States Fuel Company for the above-referenced permit. The deficiency requires that the area "must be included in the disturbed area boundary on all maps within the Hiawatha Processing Plant and Waste Disposal Sites".

I understand that this deficiency has been given as a result of the definition of "Coal Mining and Reclamation Operations", which states that "...Such activities include the loading of coal for interstate commerce at or near the mine site". It has also been mentioned that coal is being stored at the loadout.

In response to the definition of "Coal Mining and Reclamation Operations, we interpret that to me loading activities **associated with** the mine site. The loadout area is owned and operated by Utah Railway Company, and is not a part of the Hiawatha mining complex. Hiawatha Coal Company's right-of-entry includes only the areas leased from ANR Company, Inc. and a small easement from Utah Railway for an area adjacent to Refuse Pile No. 1, which has been included in the disturbed area. Hiawatha Coal Company (HCC) does not have the right to use the loadout area for mining and reclamation activities, or to include the area within the disturbed area (see enclosed letter from Utah Railway Company).

In the past the loadout has in the past been used by many companies for loading, including Genwall Coal Company, Standard Industries, Co-Op Mining Company and Cyprus-Plateau. HCC has no control over any coal loading, coal storage, or backfilling and grading operations within the Utah Railway property, and therefore **cannot** include the area within our disturbed area.

During an oversight visit in 1997, an OSM inspector affirmed the loadout should not be included in the disturbed area.

As pertaining to the storage of coal at the loadout, HCC does not have any coal stored within the loadout. It is my understanding that the coal stored there currently belongs to Genwall Coal Company and Standard Industries. HCC's coal extraction activity currently consists of the removal of coal fines from Slurry Pond No. 1. The coal is sold at the time it is removed from the pond, and at the point that it leaves the minesite it no longer belongs to HCC. Whether it is shipped by truck to another loadout, or taken to the Hiawatha loadout is according to the customer's arrangements from loading the coal. HCC understand's that when U.S. Fuel Company was extracting the pond fines, the coal loading was done in and adjacent to the pond, within the existing disturbed area. HCC intends to continue this, restricting the coal mining activities to the currently approved disturbed area. The hauling of coal from the minesite will be described and permitted in our response to Items R645-301-523 No. 1 and R645-301-534 No. 2.

Often, do to the lack of available equipment for loading at the Hiawatha loadout, companies loading coal there make arrangements to use HCC's front-end loader to load their trains. This is done on a rental basis, and is not part of HCC's mining and reclamation activities. Therefore it does not constitute a coal mining and reclamation activity by HCC. All loading activities are controlled by and overseen by Utah Railway Company, not HCC.

I request that the Division review this information and remove this deficiency from the Division Order. Since the Railroad activities adjacent to Hiawatha are not part of HCC's coal mining and reclamation activities, HCC does not have the right-of-entry to and should not attempt to include the loadout area within the disturbed area.

If you have any questions, please call me at (435) 637-1778.

Sincerely,



Charles Reynolds, PE
Mining Engineer

Enclosure(s)

UTAH RAILWAY COMPANY

340 HARDCRABBLE ROAD
P.O. BOX 261
HELPER, UTAH 84526
Phone (801) 472-3407
FAX (801) 472-3744

April 7, 1998

Via facsimile: (435) 687-5238

Mr. Charles Reynolds
Hiawatha Coal Company
P.O. Box 1202
Huntington, UT 84528

RE: Exclusion of Utah Railway Property in Permit

Dear Sir:

It has come to our attention that discussions have taken place concerning the potential inclusion of certain property belonging to Utah Railway Company (UTAH) into Hiawatha Coal Company's (HCC) mining permit.

The property at Hiawatha belonging to UTAH is under our control and sole ownership. The tracks at the Hiawatha siding have been used by various shippers over the years and it is the intent of UTAH to keep the property and track available into the future. The track is available not only to HCC but to all shippers desiring to transload at the site.

We do not intend to have our property restricted or otherwise limited in its use by being included in your permit.

Please take whatever steps are necessary to ensure that our property remains separate and apart from your permit area.

Sincerely,



John E. West, III
Executive Vice President