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# State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

August 29, 1991

Mr. Jon Passic
Castle Valley Resources
P. O. Box 766
Wellington, Utah 84542

Dear Mr. Passic:

Re: Application for Permit Transfer to Castle Valley Resources, Wellington Preparation Plant, ACT\007\012, Folder #2, Carbon County, Utah

On August 16, 1991, the Division received an application requesting approval to transfer the Wellington Permit to Castle Valley Resources. The application also included a change in ownership of the property from Genwal Coal Company to NEICO and IPA (a joint venture). The application was sufficient to abate violation #N90-38-1-1, however, there are still a number of items that need to be completed before the Division can approve the transfer.

The most serious problem brought to light during the review of the application was an error in the legal description for the Wellington Permit. There appears to be part of the East half of the South East quarter of section 8 excluded from the permit area. Also the West half of the South West quarter of section 10 was omitted from the permit area. This problem seems to have carried over from the original permit but must be corrected at this time by re-advertising in the local paper with a correct legal description of the permit area. Appropriate pages in the Operation and Reclamation Plan may also need to be changed to reflect this correction.

A summary of the items still needing attention is listed below. These items must be submitted within 20 days of receipt of this letter. Please refer to the enclosed technical memo for further detail on these requirements.

1) **Stipulation R614-303-300.(1)-SKF:**

**The application shall include copies of documents to substantiate the transfer of permit rights and operations. The 'Joint Ownership and Operating Agreement' and the 'Coal Sales**

and Loading Services Agreement' shall be submitted prior to application approval. Any other documentation supporting the release of permit holdings and operations by Genwal shall be submitted.

2) Stipulation R614-303-321.300.(1)-SKF:

A. Identify Genwal Coal Company as owner of record or update county plats to identify NEICO as owner.
B. Identify regulatory authority for coal mining application holdings.
C. Include MSHA identification number for all mines including the Wellington Preparation Plant.

3) Stipulation R614-303-321.300.(2)-SKF

Submit a summary of all violation notices for all mine operations for 3 years prior to the date of submission.

4) Stipulation R614-303-321.300.(3)-SKF

The Applicant must submit a map with adequate information including the township, range, and sections to determine the locality of the permit area. The Applicant must correct the verbal description to include the full permit area boundary.

5) Stipulation R614-303-321.300.(4)-SKF

Identify the full terms of the permit for insertion into the MRP.

6) Stipulation R614-303-321.300.(5)-SKF

The operator shall clarify the discrepancies in the application and label all maps and exhibits and, date all pages with the date of submittal for insertion into the MRP.

7) Stipulation R614-303-322.(1)-SKF

The operator will have to resubmit public notice and proof

**of publication and, wait for the 30 day public comment period before approval of permit transfer can be granted.**

8) **Stipulation R614-303-323.(1)-SKF**

**The original signatures and affidavits must be submitted before approval can be granted.**

Please feel free to call if you have any questions.

Sincerely,

Daron R. Haddock

Daron R. Haddock
Permit Supervisor

cc: P. Collins (Mt. Nebo Scientific)
L. Braxton, DOGM
S. Falvey, DOGM

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