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Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

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

August 25, 1989

CERTIFIED RETURN RECEIPT REQUESTED
No. P 075 063 254

Mr. Robert H. Hagen, Director
Albuquerque Field Office
Office of Surface Mining
Reclamation and Enforcement
Suite 310, Silver Square
625 Silver Avenue, S.W.
Albuquerque, New Mexico 87102

Dear Mr. Hagen:

Re: TDN X89-02-107-5 TV3, Horse Canyon Mine, Kaiser Coal Corporation,
ACT/007/013, Carbon County, Utah

Pursuant to our telephone conversation of August 22, 1989, regarding the above-referenced Ten-Day Notice (TDN), this letter is a formal request for withdrawal of the TDN. The violations cited in this TDN are actually requests for information from the Division, and in reality, much of the information requested had been provided to the Albuquerque Field Office in our routine discussions of the Kaiser situation.

I have enclosed examples of permit action documents and other documents from the Division's Horse Canyon files, some of which are not routinely sent to OSM. Your staff is welcome at any time to review the Division's files, and my managerial staff will make themselves available to answer questions that such reviews may generate.

In the case of the above-referenced TDN, I do not feel that the allegation of a violation is appropriate. As the attached documentation indicates, the Division has continued to take action to promote permitting or reclamation of the property, including efforts to encourage a responsible purchaser for the property when the operator declared bankruptcy. OSM has been aware of and has not objected to these efforts during at least the past three years. In fact, the issue of reclamation is not even noted on Ray Lowrie's monthly statement of issues. Instead, it is recognized as a bankruptcy and pending sale issue. Furthermore, as you know, the Division has continued

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to inspect the site and issue NOV's as necessary to protect the environment until permitting or reclamation can be accomplished.

Thank you for your further consideration of this issue.

Best regards,



Dianne R. Nielson
Director

vb
Enclosures
cc: R. Lowrie, OSM, Denver
J. Palfy, Kaiser Coal Corp.
L. Braxton
R. Smith
PFO
MI78/16-17

BEFORE THE BOARD OF OIL, GAS & MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

IN THE MATTER OF IN RE	:	STIPULATION, MOTION AND
REVOCATION OF GENEVA MINE	:	ORDER
INTERIM PERMIT, KAISER COAL	:	
CORPORATION, a Delaware	:	Docket No. 84-064
Corporation.	:	Cause No. ACT/007/013

STIPULATED FACTS

1. The Utah Board of Oil, Gas & Mining ("Board") issued an order in this matter dated September 28, 1984. In accordance with that order, Kaiser Steel Corporation and its successor in interest, Kaiser Coal Corporation (herein "Kaiser"), acquired the Geneva Mine (renamed the "Horse Canyon Mine") from U.S. Steel in December, 1984, and submitted and obtained Division and Board approval of a bonding arrangement under the permanent program in the amount of \$918,649.00 (1989 dollars) for the Geneva (Horse Canyon) Mine.

2. On September 12, 1986, Kaiser submitted a Petition for Review of Order and Entry of Supplemental Order ("Petition") requesting the Board to determine whether certain actions requested of Kaiser by the Division were within the purview of the September 28, 1984 Order in this matter.

3. By Stipulation and Order dated September 17, 1986 between counsel for the Division, Kaiser and the Chairman of the Board, the parties agreed to hold a pre-hearing conference in this matter on October 1, 1986 and the Division agreed to stay further action in this matter until a final order is entered concerning the issues raised in Kaiser's Petition.

STIPULATION AND MOTION

Pursuant to a pre-hearing conference held on October 1, 1986 before Board Chairman Gregory P. Williams, the Division, by and through its under signed Assistant Attorney General, and Kaiser, by and through its attorneys of record, hereby agree and stipulate as follows:

STIPULATED FACTS
1. For the purpose of temporary stabilization, Kaiser will, by October 31, 1986, revegetate certain areas of the Geneva (Horse Canyon) Mine using a seed mixture agreed to by the Division. The areas to be seeded will be designated by the Division in an on-site meeting between Division and Kaiser personnel.

2. Except as provided in paragraph 5 of this Stipulation and Motion, by February 27, 1987, Kaiser will submit to the Division either a response to the deficiencies in U.S. Steel's reclamation plan for the Geneva (Horse Canyon) Mine as set forth in the Division's April 9, 1984 letter, or if preferable to Kaiser, a mining and reclamation permit application consisting of a reclamation plan meeting the requirements set forth in UMC 784.13 and a maintenance plan under UMC 817.131 as described in paragraph 3 below.

3. The maintenance plan for the Geneva (Horse Canyon) Mine submitted in accordance with UMC 817.131 of the Coal Mining and Reclamation Permanent Program ("Permanent Program") will include, but not necessarily be limited to, the following requirements set forth at UMC 817.131(b): "the exact number of surface acres and the horizontal and vertical extent of subsurface strata which have been in the disturbed area prior to temporary cessation, the extent and kind of reclamation of surface area which will have been accomplished, and the identification of the backfilling, regrading, revegetation, environmental monitoring, underground opening closures and water treatment facilities that will continue during the temporary cessation."

4. Upon approval of the maintenance portion of the mining and reclamation plan, Kaiser will maintain the Geneva (Horse Canyon) Mine as therein required during the period of temporary cessation in accordance with Subchapter K of the Permanent Program.

5. If, as a result of imminent corporate decisions regarding the Geneva (Horse Canyon) Mine, Kaiser determines that the current temporary cessation status of the Mine should be modified to proceed with coal production or final reclamation, Kaiser may file a Petition with the Board setting forth its proposed modification, and any extensions and/or amendments to the schedule and requirements set forth herein. The Board may, in accordance with its procedural regulations and upon request of the parties, consider and decide the merits of such petition at a pre-hearing conference.

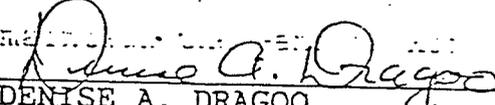
6. Kaiser and the Division will report to the Board at its regularly scheduled hearing on March 26, 1987, regarding the progress achieved in meeting the requirements set forth herein.

7. Kaiser will withdraw its Petition in this matter with each party to bear its own costs and attorney's fees.

8. The parties hereby move the Board for an Order in conformance with the foregoing Stipulation.

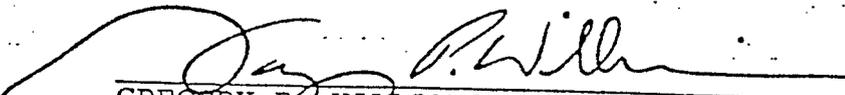
DATED this 21st day of October, 1986.


BARBARA W. ROBERTS
Assistant Attorney General
Attorney for the Division of Oil,
Gas & Mining


DENISE A. DRAGO
Attorney for Kaiser Coal
Corporation

ORDER

SO ORDERED this 23rd day of October, 1986.


GREGORY P. WILLIAMS, Chairman
Board of Oil, Gas & Mining