

0046

Beaver Creek Coal Company  
P.O. Box AU  
Price, Utah 84501  
Telephone 801 637-5050

File ACT/007/016  
← CEPT/007/014  
?

Folder No. 3

Copy to Cy  
& Steve, John



June 1, 1983

RECEIVED

JWS  
6-6-83

JUN 03 1983

DIVISION OF  
OIL, GAS & MINING

J.W. Smith, Jr.  
Coordinator  
Mine Land Development  
4241 State Office Building  
Salt Lake City, Utah 84114

Dear Mr. Smith:

Thank you for discussing the permitting alternatives with us for our Gordon Creek #2 Mine Southwest Lease Portals. Beaver Creek Coal Company intends to submit a plan for Exploration of More Than 250 Tons as found in UMC Part 776. We have begun preparation of the plan and are aiming at a submittal date to your department of July 18th. The project is on an accelerated schedule to allow exploration to begin this year. We anticipate a three month construction period for the exploration mine.

Beaver Creek Coal Company has entered into an agreement with Nevada Power Company to supply 130,000 tons of coal in 1983, 160,000 tons in 1984 and 1985, and 200,000 tons in 1986 through 2007. Contractual pricing requires that this coal be shipped directly as a run-of-mine product. Currently, our #3 Mine is producing acceptable quality coal to fulfill the contract.

The #3 Mine reserve will be depleted late in the third quarter of 1983. Based on current and projected geologic conditions in our #2 and #4 Mines, it is doubtful that these operations will produce run-of-mine coal which is acceptable to the buyer. Recent exploration activities have revealed the potential for production of a high quality product from our #2 Mine Southwest Lease. It is our intent to prove this capability by proceeding with an exploration mine.

Results of our surface exploration program have been encouraging to date. It appears that there are no major fault displacements within the first 1000 feet of our proposed underground exploration except near the outcrop. The planned portal site should allow exploration mining to begin without requiring underground crossing of any faults.

Of concern are the numerous fracture lineations which have been detected through aerial photography. Also, roof and floor lithologies found in our core vary considerably. In

some instances these lithologies are not suitable for saleable raw coal production. When these considerations are viewed along with the fracturing, the need for an exploration mine is apparent.

Construction of the exploration mine will follow the requirements of UMC Part 776 and referenced sections of state and federal law. We propose to upgrade the existing exploration road and excavate a mine pad at the outcrop. To minimize earthwork, a conveyor will be used to transport exploration coal to our #2 Mine facilities. This eliminates the need for a large mine bench that would be required for truck haulage, and a longer haul road which would be needed to negotiate the steep grades. The complete exploration facilities will include: Access road, mine pad, belt transfer point pad, beltline, powerline, waterline, mine portals, substation and fan.

If exploration activities are unsuccessful, reclamation will proceed as specified in the exploration plan. If a viable mine may be started, we will submit a modification to our #2 Mine, Mining and Reclamation Plan.

We appreciate your consideration of this exploration plan. Please call if you have any questions. We will be in touch with your office as our work progresses.

Sincerely,

*James S. Voorhees*

James S. Voorhees  
Senior Mine Engineer

JSV/pjm

cc: J.A. Herickhoff  
D.W. Guy  
R.D. Robison  
J.W. Moffitt, BLM  
File 4-P-5-1-1