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BEAVER CREEK COAL COMPANY

1988 ANNUAL REPORT

GORDON CREEK NO. 2/7 MINES

BEAVER CREEK Coal Company

Post Office Box 1376
Price, Utah 84501
Telephone 801 637-5050



RECEIVED
MAR 31 1989
DIVISION OF OIL
GAS & MINING
SALT LAKE CITY, UTAH

March 31, 1989

Mr. Lowell Braxton
Administrator
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: 1988 Annual Report
Gordon Creek No. 2/7 Mines
ACT/007/016
Carbon County, Utah

Dear Mr. Braxton:

Enclosed is the Annual Report for Coal Mining and Reclamation Operations for 1988 for the Gordon Creek No. 2/7 Mines.

If you have any questions or need any further information, please let me know.

Respectfully,

Dan W. Guy,
Manager, Permitting & Compliance

DWG/cr

cc: Johnny Coffey
File 4-P-5-1-1

BEAVER CREEK COAL COMPANY
1988 ANNUAL REPORT
GORDON CREEK NO. 2/7 MINES

RECEIVED
MAR 31 1989
DIVISION OF OIL,
GAS & MINING
PRICE, UTAH

BEAVER CREEK Coal Company

Post Office Box 1378
Price, Utah 84501
Telephone 801 637-5050



March 31, 1989

Mr. Lowell Braxton
Administrator
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: 1988 Annual Report
Gordon Creek No. 2/7 Mines
ACT/007/016
Carbon County, Utah

Dear Mr. Braxton:

Enclosed is the Annual Report for Coal Mining and Reclamation Operations for 1988 for the Gordon Creek No. 2/7 Mines.

If you have any questions or need any further information, please let me know.

Respectfully,

A handwritten signature in cursive script that reads "Dan W. Guy".

Dan W. Guy,
Manager, Permitting & Compliance

DWG/cr

cc: Johnny Coffey
File 4-P-5-1-1

COAL MINING AND RECLAMATION OPERATIONS FOR 1988
(Authority UMC 784)

(Must be submitted to the Division by March 31, 1989)

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

(801) 538-5340

Operator: Beaver Creek Coal Company

Mine Name: Gordon Creek No. 2/7 Mines

Mailing Address: P.O. Box 1378, Price, Utah 84501

Company Representative: Dan W. Guy

Permit Number: ACT/007/016

Date of Most Recent Permanent Program Permit: 08/27/84

Quantity of Coal Mined (tonnage) 1988: 515,711 Tons

Attach Updated Mine Sequence Map. (Included)

All monitoring activities during the report period must be submitted with this report (including, but not limited to):

- A. Summarized Water Monitoring Data (Included)
- B. Precipitation or Other Climatological Data (Included)
- C. Subsidence Monitoring Report (Included)
- D. Vegetation Data (test plots) or Revegetation Success Monitoring (includes interim and final) (Included)
- E. Permit Stipulation Status (Included)

CERTIFICATES OF INSURANCE

Revised November, 1987.

CERTIFICATE OF LIABILITY INSURANCE

Issued to:
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
--00000--

THIS IS TO CERTIFY THAT:

Insurance Company of North America

(Name of Insurance Company)

1600 Arch Street, Philadelphia, PA 19101

(Home Office Address of Insurance Company)

HAS ISSUED TO:

BEAVER CREEK COAL CO.

(Name of Permit Applicant)

GORDON CREEK No. 2/7 MINES
(Mine Name)

ACT/007/016

(Permit Number)

CERTIFICATE OF INSURANCE:

HDO GO 969065-7

(Policy Number)

1-1-88

(Effective Date)

UNDER THE FOLLOWING TERMS AND CONDITIONS:

As Per UMC/SMC Part 800.60 Terms and Conditions for Liability Insurance;

- A. The Division shall require the applicant to submit as part of its permit application a certificate issued by an insurance company authorized to do business in the state of Utah certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operations for which the permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons injured or property damaged as a result of the surface coal mining and reclamation operations, including the use of explosives and who are entitled to compensation under the applicable provisions of state law. Minimum insurance coverage for bodily injury and property damage shall be \$300,000 for each occurrence and \$500,000 aggregate.
- B. The policy shall be maintained in full force during the life of the permit or any renewal thereof, including the liability period necessary to complete all reclamation operations under this chapter.

Page 2.
CERTIFICATE OF LIABILITY INSURANCE

C. The policy shall include a rider requiring that the insurer notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.

IN ACCORDANCE WITH THE ABOVE TERMS AND CONDITIONS, and the Utah Code Annotated 40-10-1 et seq., the Insurance Company hereby attests to the fact that coverage for said Permit Applicant is in accordance with the requirements of the State of Utah and agrees to notify the Division of Oil, Gas and Mining in writing of any substantive change, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division.

UNDERWRITING AGENT:

M. J. Morehouse

(Agent's Name)

213-739-4630

(Phone)

Insurance Company of North America

(Company Name)

3333 Wilshire Blvd

(Mailing Address)

Los Angeles, CA 90010

(City, State, Zip Code)

The undersigned affirms that the above information is true and complete to the best of his or her knowledge and belief, and that he or she is an authorized representative of the above-named insurance company.

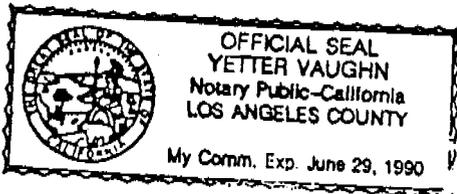
1-27-88 M. J. Morehouse - Account Manager
(Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by

M. J. MOREHOUSE

(Name)

this 27th day of January, 1988.



Yetter Vaughn
(Signature)

My Commission Expires:

June 29, 1990
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Land Office & Serial Number

Salt Lake City, Utah
U-8319

STATEWIDE OR NATIONWIDE MINERAL LEASE BOND
(EXCEPT OIL AND GAS)

KNOW ALL MEN BY THESE PRESENTS, That we,

SWISHER COAL COMPANY, a Utah Corporation

of the county of Carbon

in the State of Utah

as principal, and AETNA CASUALTY & SURETY CO., of the county of Hartford

in the State of Connecticut

as surety, are held and firmly bound unto the United States

of America in the sum of Twenty Five Thousand Dollars

(\$25,000.00) lawful money of the United States, for which payment, well and truly to be made, we, by these presents, bind ourselves, and each of us, and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, upon the following conditions, viz:

If the amount of this bond is \$75,000, or if it is raised by an attached rider to that amount, coverage shall extend to

all the principal's holdings involving deposits in the United States, including Alaska, under the Act or Acts cited in Schedule A.

deposits in the United States, including Alaska, under the

If the amount of this bond is \$25,000, its coverage extends only to the principal's holdings involving coal deposits in the State named in Schedule A. Furthermore, such coverage is confined to the holdings under the Public Domain Leasing Act of February 25, 1920 (41 Stat. 437) as amended.

SCHEDULE A

Public Domain Leasing Act of February 25, 1920
(41 Stat. 437) as amended and supplemented (30 U.S.C. 181-287)

Acquired Lands Leasing Act of August 7, 1947
(61 Stat. 913; 30 U.S.C. 351-359)

NAME OF STATE	LEASE NUMBER	NAME OF STATE	LEASE NUMBER
Utah	U-8319		
<p>and other federal leases now covered by individual bonds which coverage is in process of being transferred by rider or otherwise statewide bond.</p> <p>The principal and surety both agree to "assume the liability for the necessary reclamation and abandonment work required as a result of operations on the lease lands prior to the date of the assignment" of U-8319.</p>			

The conditions of the foregoing obligations are such that, whereas the said principal, in one or more of the following ways, has an interest in mineral leases issued under the Act or Acts cited in Schedule A of this bond:

1. as the lessee of such leases;
2. as the approved holder of operating rights in all or part of the lands covered by such leases under operating agreements with the lessees; and
3. as designated operator or agent under such leases pending approval of an assignment or operating agreement; and

agreements or designations, and is obligated to comply with certain covenants and agreements set forth in such instruments; and

WHEREAS the principal agrees that the coverage of this bond, in addition to the present holdings of the principal shall extend to and include:

1. Any mineral lease hereafter issued to, or acquired by, the principal affecting mineral deposits in the State or States now named in Schedule A, or later named in a rider, the coverage to be confined in the principal's holdings under the Act or Acts cited at the head of the column in which the name(s) of the State or States

2/15/83

2. Any operating agreement, whether entered into or acquired by the principal, affecting mineral deposits in the States now named in Schedule A, or later named in a rider, relating to mineral leases issued under the Act or Acts cited in Schedule A at the head of the column in which the name of the State is placed. The coverage shall become effective immediately upon departmental approval of the agreement or of a transfer of an operating agreement to the principal.

3. Any designation subsequent hereto of the principal as operator or agent of a lessee under a lease issued pursuant to an Act or Acts cited in Schedule A and covering lands in a State named in Schedule A, either presently or by rider. This coverage shall become effective immediately upon the filing of such a designation under a lease.

4. Any extension of a lease covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease.

WHEREAS the principal hereby agrees that notwithstanding the termination of any lease or leases, operating agreements or designations as operator or agent covered by this bond, whether the termination is by operation of law or otherwise, the bond shall remain in full force and effect as to any remaining leases, operating agreements, or designations covered by the bond; and

WHEREAS the principal as to any lease or part of a lease for lands as to which he has been designated as operator or agent, or approved as operator, in consideration of being permitted to furnish this bond in lieu of

the lessee, and by these presents does hereby bind himself to fulfill, on behalf of each lessee, all the obligations of each such lease for the entire leasehold in the same manner and to the same extent as though he were the lessee; and

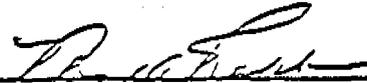
WHEREAS the principal agrees that notwithstanding any use of the security pledged herewith for the purpose for which it is pledged, the bond shall remain in full force and effect in the sum above set forth and that he will, whenever so required by the lessee, deposit additional security to bring the security up to the full amount; and

WHEREAS the principal agrees that the neglect or forbearance of said lessee in enforcing, or against the lessee or of such lessee, the payment of rentals or royalties or the performance of any other covenants, condition, or agreement of the lessee, shall not, in any way, release the principal from any liability under this bond; and

WHEREAS the principal agrees that in the event of any default under the lease, the lessee may commence and prosecute any claim, suit, action, or other proceeding against the principal without the necessity of joining the lessee.

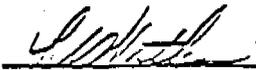
NOW, THEREFORE, if said principal shall in all respects faithfully comply with all of the provisions of the lease referred to hereinbefore, then the above obligations are to be void; otherwise to remain in full force and effect.

Signed on this 21st day of January, 1976, in the presence of:


(Signature of Principal)

607 Keene Building, C.P. Trust BLDG
(ADDRESS OF PRINCIPAL, INCLUDE ZIP CODE)

[SEAL]


/s/ G. WELLS (WITNESS OF SIGNATURE) ADDRESS: _____

The Aetna Casualty & Surety Company
425 South Main, Salt Lake City, Utah 84111
(INCLUDE ADDRESS OF SURETY, INCLUDE ZIP CODE)

If this bond is executed by a corporation, it must bear the seal of such corporation.

SPC 201111



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, has made, executed and delivered, and they by these presents make, execute and deliver Y. E. Cox, J. Keyser, R. C. Watkins or J. E. Brindley - -

of Salt Lake City, Utah as true and lawful Attorney-in-Fact, with full power and authority hereby conferred to him, his heirs and assigns, at any place within the United States, or, if the foregoing law be found to extend to any other state, to the following instrument(s):
by his sole signature and seal, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all contracts incident thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This authorization is made under and by authority of the following Standing Resolutions of said Company which Resolutions are read in full here and are:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Assistant Vice Presidents, Assistant Assistant Secretaries, Attorney-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority in his certificate of authority that he is authorized to sign with the Company's name and seal with the Company's seal (bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time revoke any such appointment and withdraw the power and authority given here.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Assistant Vice President, pursuant to the power conferred in the certificate of authority of such Assistant Vice President, or signed with the Company's seal by a Secretary or Assistant Secretary or by a Assistant Assistant Secretary, pursuant to the power conferred in the certificate of authority of such Assistant Assistant Secretary, or (b) duly executed under seal, if required, by one or more Attorney-in-Fact(s) pursuant to the power conferred in his or their certificate of authorization of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by authority under and by authority of the following Standing Resolutions of the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolutions are read in full here and are:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Vice Presidents, Assistant Assistant Secretaries or Attorney-in-Fact to execute any of the following and attesting bonds and undertakings and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its SOCIETY and its corporate seal to be hereunto affixed this 27th day of AUGUST, 1975



THE AETNA CASUALTY AND SURETY COMPANY

By B. I. Raddins

SOCIETY

State of Connecticut
County of Hartford

On this 27th day of AUGUST, 1975, before me personally came B. I. RADDINS

of the County of Hartford, State of Connecticut, known to me to be the person whose name is subscribed to the foregoing instrument, and that he acknowledged to me that he executed the same for the purposes and in the capacity therein expressed, and that he acknowledged the same instrument on behalf of the Corporation by authority of the Board of Directors of the Corporation.



Mark J. Kingston
Notary Public

CERTIFICATE

I, the undersigned, ARLETT SOCIETY of THE AETNA CASUALTY AND SURETY COMPANY, a duly organized corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attesting Power of Attorney and Certificate of Authority are in full force and effect and that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force and effect.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

State Office Building - Salt Lake City, UT 84114 - 801-533-5771

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

December 20, 1984

Mr. Dan W. Guy, Manager
Permitting and Compliance
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

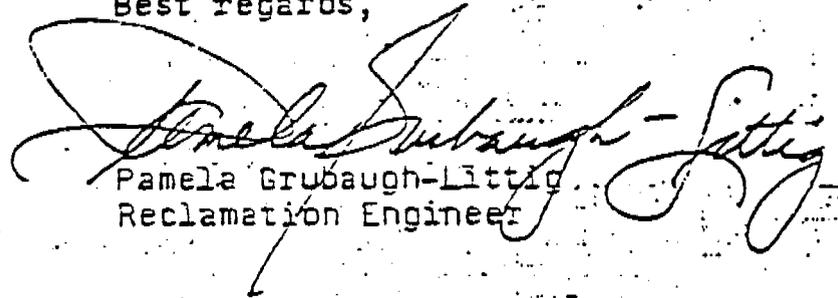
Dear Mr. Guy:

RE: Posted Bond in 1989 Dollars, Gordon Creek #2 and #7,
ACT/007/016, #5, Carbon County, Utah

I enclosed a signed original bond for your files. This bond represents posting of the reclamation surety in 1989 dollars for the Gordon Creek #2 and #7 operations.

If you have any comments, please let me know. Thank you for your cooperation.

Best regards,


Pamela Grubaugh-Littig
Reclamation Engineer

dtb
Enclosure
cc: Mary Humphrey
Ron Daniels
Mary Boucek
6806R-33

STATE OF UTAH
 DEPARTMENT OF NATURAL RESOURCES AND ENERGY
 DIVISION OF OIL, GAS AND MINING
 4241 State Office Building
 Salt Lake City, Utah 84111

RECEIVED
 FEB 4 1984

THE MINED LANDS RECLAMATION ACT

BOND

DIVISION OF
 OIL, GAS & MINING

The undersigned Beaver Creek Coal Company
 as principal, and FEDERAL INSURANCE COMPANY as
 surety, hereby jointly and severally bind ourselves, our heirs, administrators,
 executors, successors and assigns unto the State of Utah, Division of Oil, Gas
 and Mining, and the U. S. Department of the Interior, Office of Surface Mining
 in the penal sum of Six hundred forty one thousand four hundred forty three and no/100
 dollars (\$ 641,443.00). Such sum shall be payable to
 one, but not both, of the above-named agencies.

The principal estimated in a "Notice of Intention to Commence Mining
 Operations and a Mining and Reclamation Plan," filed with the Division of Oil,
 Gas and Mining on the 2nd day of February,
1983, that 2,286.05 acres of land will be affected by this mining
 operation in the State of Utah. A description of the affected land is attached
 hereto as Exhibit "A."

If the principal shall satisfactorily reclaim the above-mentioned lands
 affected by mining by the said principal in accordance with the Mining and
 Reclamation Plan and shall faithfully perform all requirements of the Mined
 Land Reclamation Act, and comply with the Rules and Regulations adopted in
 accordance therewith, then this obligation shall be void; otherwise it shall
 remain in full force and effect until the reclamation is completed as outlined
 in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
 piecemeal or cyclic basis, and the land is reclaimed in accordance with such
 plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
 of the land affected or increased reclamation work, then this bond may
 accordingly be increased with the written approval of the surety company.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

BEAVER CREEK COAL COMPANY
Principal (Company)

By *J. M. ...* - President
Company Official - Position

Date: November 28, 1984

FEDERAL INSURANCE COMPANY
Surety (Company)

By *Norman D. Squires*
Official of Surety - Position
Norman D. Squires, Attorney-in-Fact
447 East First South
Salt Lake City, Utah 84111

DATE: November 28, 1984

APPROVED AS TO FORM:

Barbara W. Roberts
Assistant Attorney General

STATE OF UTAH
County of Salt Lake

} SE.:

On this 28th day of November in the year nineteen hundred
eighty-four, A. D., before me, Mary Cristaudo, a Notary Public in and for the
County of Salt Lake, State of Utah, residing therein, duly commissioned and

personally appeared Norman D. Squires
known to me to be the Attorney(s) in Fact of Federal Insurance Company executing
annexed instrument, and acknowledged to me that such Corporation executed the

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by office
in said county the day and year in this certificate first above written.

Mary Cristaudo
Notary Public in and for the County of Salt Lake, State

My Commission expires July 4, 1987

POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 15 Mountain View Road, Warren, New Jersey, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint Norman D. Squires, Richard G. Taylor and George L. Williams, Salt Lake City, Utah

and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as hereon or otherwise, bonds of any of the following classes, to-wit:

- 1. Bonds and Undertakings filed in any suit, matter or proceeding in any Court, or filed with any Sheriff or Magistrate, for the doing or not doing of anything specified in such Bond or Undertaking.
2. Surety bonds to the United States of America or any agency thereof, including those required or permitted under the laws or regulations relating to Customs or Internal Revenue; License and Permit Bonds or other indemnity bonds under the laws, ordinances or regulations of any State, City, Town, Village, Board or other body or organization, public or private; bonds to Transportation Companies, Lost Instrument bonds; Lease bonds, Workers' Compensation bonds, Miscellaneous Surety bonds and bonds on behalf of Notaries Public, Sheriffs, Deputy Sheriffs and similar public officials.
3. Bonds on behalf of contractors in connection with bids, proposals or contracts.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this 12th day of December 19 83



Richard D. O'Connor, Assistant Secretary

FEDERAL INSURANCE COMPANY By George McClellan, Assistant Vice-President

STATE OF NEW JERSEY County of Somerset } SS.

On this 12th day of December 19 83, before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of the FEDERAL INSURANCE COMPANY and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that the signature of said George McClellan subscribed to said Power of Attorney is in the genuine handwriting of said George McClellan and was thereto subscribed by authority of said By-Laws and in deponent's presence.



STATE OF NEW JERSEY County of Somerset } SS.

Alice Leonard, Notary Public, My Commission Expires June 28, 1988

CERTIFICATION

I, the undersigned, Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors March 11, 1953 and most recently amended March 11, 1983 and that this By-Law is in full force and effect.

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.
Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed.

I further certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact indemnity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island, and is also duly licensed to become surety on bonds, undertakings, etc., permitted or required by law.

I, the undersigned Assistant Secretary of FEDERAL INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Witness my hand and the seal of said Company at Warren, N.J., this 28th day of November 19 84



Assistant Secretary



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
324 SOUTH STATE, SUITE 301
SALT LAKE CITY, UTAH 84111-2303

3400
U-8319
(U-942)

JUN 25 1985

DECISION

Beaver Creek Coal Company	:	Coal
555 Seventeenth Street	:	U-53159
Denver, CO 80217	:	



Bond Accepted

On April 11, 1985, a coal lease bond (No. 8105 27 12) in the amount of \$123,000, with Beaver Creek Coal Company as principal and Federal Insurance Company as surety, was filed in this office to provide bond coverage for coal lease U-8319.

The bond has been examined, found to meet the requirements of the regulations in 43 CFR 3474.2(a), and is accepted effective as of the date filed.

[Handwritten Signature]
 Chief, Minerals
 Adjudication Section



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
324 SOUTH STATE, SUITE 301
SALT LAKE CITY, UTAH 84111-2303

IN REPLY REFER TO

3400
U-53159
(U-942)

JUN 25 1985

DECISION

Beaver Creek Coal Company
555 Seventeenth Street
Denver, CO 80217

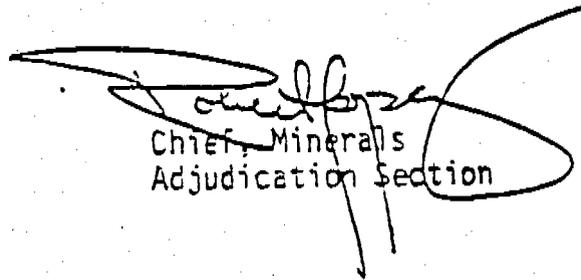
: Coal
: U-53159
:



Rider to Bond Accepted

On April 11, 1985, a rider to coal lease bond (No. 8094 25 99), with Beaver Creek Coal Company as principal and Federal Insurance Company as surety, covering coal lease U-53159 was filed.

The rider increases the coverage of this bond from \$10,000 to \$242,000. The rider has been examined, found to be satisfactory, and is hereby accepted effective the date of filing.


Chief, Minerals
Adjudication Section

1988

WATER MONITORING DATA

Beaver Creek Coal Company
Water Monitoring Report

2-2-W
Station #

Property: 2 & 7 Mine
Location: N. Fk. Gordon Creek
Type: Per. Stream
Frequency: Monthly - Quarterly

Field Measurements	Date Sampled												Mean
	1/19	2/22	3/22	4/25	5/18	6/4	7/29	8/29	9/19	10/26	11/30	12/8	
Flow [gpm]	180	190	240	359	340	219	178	87	120	129	97	140	190
PH	7.9	7.9	8.1	8.1	8.1	7.9	8.0	8.1	8.1	8	8	7.8	8
Sp. Con. [ohms]	410	400	410	540	610	260	610	640	550	340	290	410	464
Temp. [C°]	0	0	1°	2°	2°	4°	11°	11°	10°	7°	1°	1°	4.3
Diss. O mg/l	9	9	9	9	9	10	10	9	10	9	9	10	9.4

Measurements	Date Sampled				Mean
	3/22/88	4/25/88	7/29/88	11/30/88	
mg/l HCO ₃	320	278	235	309	285.5
TSS	18	6	16	0.10	10
TDS	388	308	284	395	344
CaCO ₃	375	294	264	356	322
A CaCO ₃ ⁻²	<1	<1	<1	<1	<1
CO ₃ ⁻²	0	0	0	0	0
Ca	74	74	54	87	72
Cl ⁻	12	8	9	10	9.8
Fe	.05	.06	<.05	12	.07
Mg	46	27	31	33	34
Mn	<.02	<.02	<.02	<.02	<.02
K	1	2	2	2	1.75
Na	4	5	5	6	5
SO ₄ ⁻²	93	57	67	105	80.5
Cat-Anion	.98%	1.24%	.54	.74	.88%
Oil & G.	<5	<5	Broken in shipping	<5	<5

Beaver Creek Coal Company
Water Monitoring Report

2-3-W
Station #

Property: 2 & 7 Mine
 Location: Lower Beaver Creek
 Type: Per. Stream
 Frequency: Monthly - Bi-annually

Field Measurements	Date Sampled												Mean
	1/19	2/22	3/22	4/25	5/18	6/4	7/14	8/29	9/19	10/26	11/30	12/8	
Flow [gpm]	NA	NA	NA	NA	NA	640	186	129	92	62	NA	NA	221
Con. [ohms]						8.1	7.9	7.9	8.1	8			8
Temp. [C°]						4°	6°	7°	5°	4°			5.2
Diss. O [mg/l]						9	9	10	10	9			9.4

Laboratory Measurements [mg/l]	Date Sampled		Mean
	6/4	9/19/88	
Total Suspended Solids	.42	<.01	.21
Total Dissolved Solids	239	278	259
Total Hardness [as CaCO ₃]	232	265	249
Acidity [CaCO ₃]	<1	<1	<1
Carbonate [CO ₃ ⁻²]	0	0	0
Bicarbonate [HCO ₃ ⁻¹]	261	307	284
Calcium [Ca]	73	79	76
Chloride [Cl ⁻]	5	4	4.5
Iron [Fe]	.32	<.05	.18
Magnesium [Mg]	12	16	14
Total Manganese [Mn]	<.02	<.02	<.02
Potassium [K]	1	2	1.5
Sodium [Na]	4	4	4
Sulfate [SO ₄ ⁻²]	16	22	19
Cation - Anion Balance	.83%	.90%	.84%
HCO ₃	261	307	284

Beaver Creek Coal Company
Water Monitoring Report

2-4-W
Station #

Property: 2 & 7 Mine
 Location: Upper Beaver Creek
 Type: Per. Stream
 Frequency: Monthly - Bi-annually

Field Measurements	Date Sampled												Mean
	1/19	2/22	3/22	4/25	5/18	6/4	7/14	8/29	9/19	10/26	11/30	12/8	
Flow [gpm]	NA	NA	NA	NA	NA	480	170	115	69	47	NA	NA	176
pH						7.9	8	7.9	8.1	7.9			7.96
Con. [ohms]						320	500	380	910?	210			464
Temp. [C°]						4°	6°	7°	4°	3°			4.8
ss. 0 [mg/l]						10	9	10	9	9			9.4

Laboratory Measurements [mg/l]	Date Sampled		Mean
	6/4	9/19/88	
Total Suspended Solids	4.0	9	6.5
Total Dissolved Solids	206	289	247
Total Hardness [as CaCO ₃]	202	288	245
Acidity [CaCO ₃]	1	1	1
Carbonate [CO ₃ ⁻²]	0	0	0
Bicarbonate [HC ₃ ⁻¹]	229	321	275
Calcim [Ca]	64	88	76
Chloride [Cl ⁻]	3	5	4
Iron [Fe]	<.05	<.05	<.05
Magnesium [Mg]	10	17	13.5
Total Manganese [Mn]	<.02	<.02	<.02
Potassium [K]	1	1	1
Sodium [Na]	3	4	3.5
Sulfate [SO ₄ ⁻²]	12	18	15
Cation - Anion Balance	1.20%	1.62%	1.41%
HCO ₃	229	321	275

Beaver Creek Coal Company
Water Monitoring Report

2-5-W
Station #

Property: 2 & 7 Mine
 Location: Jewkes Spring
 Type: Spring
 Frequency: Bi-annual

Field Measurements:	Date Sampled		Mean
	6/4/88	9/19/88	
Flow [gpm]	185	22	103.5
PH	7.9	8	8
Temperature [C°]	3°	4°	3.5°
Specific Con. [ohms]	400	290	345

Laboratory Measurements [mg/l]	Date Sampled		Mean
	6/4/88	9/19/88	
Total Suspended Solids	24	10	17
Total Dissolved Solids	240	294	267
Total Hardness [as CaCO ₃]	236	283	260
Acidity [CaCO ₃]	< 1	< 1	< 1
Carbonate [CO ₃ ⁻²]	0	0	0
Bicarbonate [HC ₃ ⁻¹]	265	326	296
Calcim [Ca]	75	92	83.5
Chloride [Cl ⁻]	4	4	4
Iron [Fe]	.13	< .05	.09
Magnesium [Mg]	12	13	12.5
Total Manganese [Mn]	< .02	< .02	< .02
Potassium [K]	2	2	2
Sodium [Na]	3	4	3.5
Sulfate [SO ₄ ⁻²]	15	19	17
Cation - Anion Balance	1.76%	.43	1.09
HCO ₃	265	326	295

Beaver Creek Coal Company
Water Monitoring Report

2-6-W
Station #

Property: 2 & 7 Mine
Location: Gunnison Spring
Type: Spring
Frequency: Bi-annual

Field Measurements:	Date Sampled		Mean
	6/4/88	9/19/88	
Flow [gpm]	22	4.2	13.1
PH	7.8	7.9	7.8
Temperature [C°]	6	1°	3.5
Specific Cond. [ohms]	210	340	275

Laboratory Measurements [mg/l]	Date Sampled		Mean
	6/4/88	9/19/88	
Total Suspended Solids	32	86	59
Total Dissolved Solids	284	301	292.5
Total Hardness [as CaCO ₃]	287	283	285
Acidity [CaCO ₃]	< 1	< 1	< 1
Carbonate [CO ₃ ⁻²]	0	0	0
Bicarbonate [HC] ₃ ⁻¹	318	328	324
Calcim [Ca]	89	93	91
Chloride [Cl ⁻]	3	6	4.5
Iron [Fe]	<.05	<.05	<.05
Magnesium [Mg]	16	13	14.5
Total Manganese [Mn]	<.02	<.02	<.02
Potassium [K]	1	2	1.5
Sodium [Na]	3	5	4
Sulfate [SO ₄ ⁻²]	16	23	19.5
Cation - Anion Balance	2.08%	.92%	1.50%
HCO ₃	318	328	323

Beaver Creek Coal Company
Water Monitoring Report

2-7-W
Station #

Property: 2 & 7 Mine
 Location: Lt. Fork Bryner Above #7 Mine
 Type: Eph. Stream
 Frequency: Quarterly

Measurements	Date Sampled				Mean
	3/22/88	5/18/88	9/19/88	11/30/88	
Flow [gpm]	Frozen	3.1	D	D	3.1
PH		8.0			8
Spec. Con. [ohms]		490			490
Temp. [C°]		3°			3°

Measurements	Date Sampled				Mean
	3/22/88	5/18/88	9/19/88	11/30/88	
mg/l HCO ₃		365	D	D	365
TSS		16			16
TDS		380			380
CaCO ₃		373			373
A CaCO ₃		< 1			< 1
CO ₃ ⁻²		0			0
Ca		61			61
Cl ⁻		8			8
Fe		< .05			< .05
Mg		53			53
Mn		< .02			< .02
K		4			4
Na		6			6
SO ₄ ⁻²		68			68
Cat-Anion		1.10%			1.10%

Beaver Creek Coal Company
Water Monitoring Report

2-8-W
Station #

Property: 2 & 7 Mine
 Location: Rt. Fork Bryner Above #2 Mine
 Type: Eph. Stream
 Frequency: Quarterly

Measurements	Date Sampled				Mean
	3/22/88	5/18/88	9/19/88	11/30/88	
Flow [gpm]	Frozen	4.7	3.5	3.6	3.9
PH		7.9	8.1	7.9	7.98
Specific Cond. [ohms]		220	410	200	277
Temperature [C°]		5°	7°	0	4

Measurements	Date Sampled				Mean
	3/22/88	5/18/88	9/19/88	11/30/88	
mg/l HCO ₃		442	336	339	372
TSS		55	86	326	156
TDS		598	325	340	421
CaCO ₃		546	315	325	395
A CaCO ₃		< 1	< 1	< 1	< 1
CO ₃ ⁻²		0	0	0	0
Ca		113	61	84	86
Cl ⁻		29	7	46	27
Fe		.06	.05	5.36	1.82
Mg		64	40	28	44
Mn		<.02	<.02	.10	.05
K		2	4	3	3
Na		12	6	6	.8
SO ₄ ⁻²		161	44	46	83.7
Cat-Anion		.31	.15	1.11	.52

Beaver Creek Coal Company
Water Monitoring Report

2-10-W
Station #

Property: 2 & 7 Mine
 Location: Inflow to Sed. Pond 7A
 Type: Eph. Stream
 Frequency: Quarterly

Measurements	Date Sampled				Mean
	3/22/88	5/18/88	9/19/88	11/30/88	
Flow [gpm]	.8 gpm	.9	DRY	DRY	.85
PH	8.2	7.9			8.1
Sp. Cond. [ohms]	960	1200			1080
Temp. [C°]	1°	3°			2°

Measurements	Date Sampled				Mean
	3/22/88	5/18/88	9/19/88	11/30/88	
mg/l HCO ₃	264	264			264
TSS	5960	15730			10,845
TDS	453	1120			786.5
CaCO ₃	354	1000			677
A CaCO ₃	<1	<1			<1
CO ₃ ⁻²	0	0			0
Ca	106	2			54
Cl ⁻	28	211			119.5
Fe	64.9	7.61			36.26
Mo	22	242			122
Mn	1.50	.42			.96
K	3	1			2
Na	4	17			10.5
SO ₄ ⁻²	233	514			373.5
Cat-Anion	1.95%	.38%			1.17%

Sediment Pond Report

Mine: Gordon Creek 2/7 Mines

Year: 1988

This report is submitted to satisfy the requirements of UMC 817.46, UMC 817.49, and 30 CFR 817.49.

1. This report addresses the following ponds:

<u>Pond</u>	<u>Capacity</u>
1. #2	2.74 Ac. ft.
2. 7A	1.26 Ac. ft.
3. Sweet's	2.00 Ac. Ft. (1½:1 outside slope - stability . Analyses O.K.)
4. #7 Snow Pond	2.73 ac. ft. (incised in bank; 1:1 inside slope)

The ponds listed above have been constructed and maintained in accordance with the approved plan and the above listed regulations.

2. The following addresses the required monitoring procedures and instrumentation used at each pond or impoundment:

<u>Pond</u>	<u>Requirement</u>
1. #2	NPDES Discharge: Quarterly Inspections
2. 7A	Quarterly Inspections
3. Sweet's	Quarterly Inspection
4. Snow Pond	Quarterly Inspection

3.

<u>Pond</u>	<u>Design Depth/Elevation</u>	<u>Average Depth/Elevation</u>
1. #2	15.0'	14.5' (To Sediment)
2. 7A	15.5'	14.0' (To Sediment)
3. Sweet's	8.0'	7.5' (To Sediment)
4. Snow Pond	11.0'	10.5' (To Sediment)

4.

<u>Pond #</u>	<u>Accumulated Sediment</u>	<u>Existing Storage Capacity</u>
1. #2	6" - 12"	2.63 Ac. Ft. (2.38 req'd.)
2. 7A	18" - 24"	1.18 Ac. ft. (0.96 req'd.)
3. Sweet's	*N/A	2.00 Ac. ft.
4. Snow Pond	*N/A	2.73 Ac. Ft.

* Impoundments only. Not used for sediment storage.

5. Have any fires occurred in the impoundment embankments?

<u>Pond</u>	<u>Yes</u>	<u>No</u>
1. #2		X
2. 7A		X
3. Sweet's		X
4. Snow Pond		X

6. The ponds have been inspected for structural stability with the following results:

<u>Pond #</u>	<u>Comments</u>
1. #2	Stable; No sideslope erosion; outlet leak repaired 8/88
2. 7A	Stable; No sideslope erosion;

I do hereby certify that the information found in this 1988 report is true and correct to the best of my knowledge.

6. Cont.	
3. Sweets	Stable ; no sideslope erosion stability analysis ok 9/88
4. Snow Pond	Stable; no sideslope erosion;

Don W. Gray
9/1/88

1988

PERMIT / STIPULATION STATUS

1987

PERMIT/ STIPULATION STATUS



Norman H. Bangertter

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

File

December 15, 1988

Mr. Dan Guy, Manager
Permitting and Compliance
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dear Mr. Guy:

Re: Final Approval, Stipulation No. 1, Mid-Term Review,
Beaver Creek Coal Company, Gordon Creek #2 and #7 Mine,
ACT/007/016, Folder No. 3, Carbon County, Utah

Division Reclamation Engineer Pamela Grubaugh-Littig has reviewed the November 30, 1988 submittal for Stipulation No. 1 relating to the stability analysis for the Sweet's Canyon Pond embankment. The submittal is adequate to demonstrate that a safety factor in excess of 1.5 exists. Therefore, this stipulation has been satisfactorily addressed. Thank you for your cooperation in this matter.

Sincerely,

John J. Whitehead
Permit Supervisor/
Reclamation Hydrologist

djh
cc: P. Grubaugh-Littig
W. Malencik
AT7/69

BEAVER CREEK Coal Company

Post Office Box 1378
Price, Utah 84501
Telephone 801 637-5050



November 29, 1988

Mr. Lowell Braxton
Administrator
Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Compliance with Stipulation No.1
Mid-Term Permit Review
Gordon Creek No.2 and 7 Mines
ACT/007/016, Folder #3
Carbon County, Utah

Dear Mr. Braxton:

Enclosed are 3 copies of the slope stability calculations and soil analysis for the Sweet's Canyon Pond embankment. This information is submitted to satisfy the Mid-Term Permit Review Stipulation-No.1 of October 6, 1988.

The information is submitted as Appendix 10, and should be inserted into the Appendices section of the P.A.P.

If you have any questions, or need any further information, please let me know.

Respectfully,

Dan W. Guy
Manager Permitting/Compliance

cc: Johnny Coffey
File

DWG/cr
IBM MIKE



United States Department of the Interior

OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
BROOKS TOWERS
1020 15TH STREET
DENVER, COLORADO 80202



In Reply Refer To:

2155M

November 17, 1988

4441
UT-0010

Mr. Richard Pick
Beaver Creek Coal Company
P.O. Box 1378
Price, Utah 84501

Dear Mr. Pick:

The Office of Surface Mining Reclamation and Enforcement (OSMRE) has terminated, effective immediately, Federal permit UT-0010, issued on August 27, 1984, for Beaver Creek Coal Company's Gordon Creek No. 2 mine. The Federal permit was terminated in accordance with OSMRE's Directive on the Termination of Federal Permits because the State has a cooperative agreement that delegates the permitting responsibilities on Federal lands to the State, and Utah Division of Oil, Gas and Mining (DOG M) has issued State permit ACT/007/016 for the Gordon Creek No. 2 mine in accordance with the Utah State program and cooperative agreement.

I have enclosed the memorandum terminating the Federal permit. Attached to the memorandum are the applicable standard conditions of approval of the Gordon Creek No. 2 mine mining plan approved by the Assistant Secretary on August 24, 1984, for Federal leases U-8319 and U-47975. These conditions were previously incorporated in the Federal permit. Notwithstanding the termination of the Federal permit, these conditions remain in full force and effect.

Utah DOGM is now the regulatory authority for surface coal mining and reclamation operations on Federal lands at the Gordon Creek No. 2 mine under the Utah State permit ACT/007/016, the Utah State program, and the cooperative agreement. Mining operations on Federal leases U-8319 and U-47975 must be conducted in accordance with the approved mining plan including the standard conditions, the leases, the Mineral Leasing Act of 1920, as amended, and its implementing regulations, as well as the State permit.

If you have any questions, please contact Richard Holbrook at (303) 844-5658.

Sincerely,

acting *M Z Crawling*
Ranvir Singh, Chief
Federal Lands Branch

Enclosures

cc: BLM, Utah State Office
BLM, Price Resource Area
BLM, Moab District Office
Director, DOGM
Robert Hagen, Albuquerque Field Office Field Office
B. McCue, U.S. Fish and Wildlife Service



United States Department of the Interior

OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
BROOKS TOWERS
1020 15TH STREET
DENVER, COLORADO 80202

November 17, 1988



In Reply Refer To:
4441
UT-0010

2155M

MEMORANDUM

TO: Chief, Federal Programs Division

THROUGH *active* Chief, Federal Lands Branch *mze*

FROM: Richard Holbrook, Project Leader *Richard Holbrook*

SUBJECT: Recommendation to Terminate Federal Permit UT-0010 for the Beaver Creek Coal Company Gordon Creek No. 2 Mine, Carbon County, Utah

I. Recommendation

I recommend termination of Federal permit UT-0010, issued on August 27, 1984, for the Beaver Creek Coal Company Gordon Creek No. 2 mine. My recommendation is based on the existence of the Utah cooperative agreement which provides for the delegation to the Utah Division of Oil, Gas and Mining (DOGM) of the permitting responsibilities for operations on Federal lands pursuant to Section 523 of the Surface Mining Control and Reclamation Act (SMCRA); the issuance of the Utah State permit ACT/007/016 in accordance with the Utah State program and cooperative agreement; incorporation of all necessary Federal permit conditions in the State permit; and the approved mining plan for Federal leases, U-8319 and U-47975. Attached to this memorandum are the applicable standard conditions of approval of the Gordon Creek No. 2 mine mining plan approved by the Assistant Secretary on August 24, 1984, for Federal leases U-8319 and U-47975. These conditions were previously incorporated in the Federal permit. Notwithstanding the termination of the Federal permit, these conditions will remain in full force and effect.

Utah DOGM has reviewed the permit application package (PAP) for the Gordon Creek No. 2 mine under the Utah State program and cooperative agreement (30 CFR 944.30) and has issued Utah permit ACT/007/016 authorizing surface coal mining and reclamation operations on Federal and non-Federal lands in the permit area pursuant to the State program and cooperative agreement. A copy of the bond in the amount of \$641,443, payable to the United States and the State of Utah, is on file with OSMRE.

This permit termination is categorically excluded from the National Environmental Policy Act (NEPA) process because the Federal permit and mining plan approval were previously covered by the NEPA process (i.e., OSMRE's Environmental Assessment and Finding of No Significant Impact dated August 3 1984)

II. Background

The Gordon Creek No. 2 underground coal mine is located in Carbon County, Utah, 20 miles northwest of Price, Utah. The Utah State permit area contains approximately 2300 acres, approximately 1726 acres of which are leased Federal coal in the mining plan area for Federal leases U-8319 and U-47975.

The Gordon Creek No. 2 mine mining plan was originally approved under the Federal lands program on August 24, 1984, and the mine was permitted by OSMRE under the Federal lands program and Utah State program on August 27, 1984. Since the original approval of the mining plan, there have been no mining plan modifications.

OSMRE's Albuquerque Field Office Field Office was consulted on November 10, 1988 and has indicated that no pending enforcement actions are associated with the Federal permit for the Gordon Creek No. 2 mine.

The Federal permit contained 12 special conditions of approval.

Special Conditions 1 and 2 required erosion protection measures for certain ditches and were satisfied on March 11, 1985.

Special Condition 3 required monitoring of mine inflows and was satisfied on August 5, 1988.

Special Condition 4 required monitoring of surface water at two locations and was satisfied on October 6, 1988.

Special Condition 5 required the permittee to establish riparian habitat at the Gordon Creek #3 minesite and was satisfied on August 5, 1988.

Special Condition 6 required submittal of a USFWS permit for removal of a raptor nest and was satisfied on February 13, 1985.

Special Condition 7 required the permittee to notify Utah DOGM if mass movement occurs in the permit area and is carried forward in the State permit as Condition No. 1.

Special Condition 8 requires submittal of subsidence information and was satisfied on October 6, 1988.

Special Condition 9 required the permittee to contribute to the endangered fishes conservation fund and was satisfied on June 13, 1985.

Special Condition 10 requires modification of power poles for raptor protection and was carried forward in the State permit as Condition 2.

Special Condition 11 requires a survey for endangered plant species prior to any redisturbance and was carried forward in the State permit as Condition No. 3.

Special Condition 12 requires use of all spoil material in reclamation of the highwall and was carried forward in the State permit as Condition No. 4.

The standard conditions of the existing mining plan approval are appended to this memorandum as Attachment A. There are no remaining special conditions of approval of the mining plan.

III. Approval:

I approve the termination of Federal permit UT-0010, issued on August 27, 1984, for the Gordon Creek No. 2 mine. The applicable standard conditions of the mining plan approved by the Assistant Secretary on August 24, 1984, are appended as Attachment A and remain in full force and effect notwithstanding this permit termination approval.



Chief, Federal Programs Division
Western Field Operations
Office of Surface Mining Reclamation and Enforcement

11/17/88
Date

CONDITIONS
OF
MINING PLAN APPROVAL

This document contains the applicable conditions of approval of the Gordon Creek No. 2 mine mining plan approved on August 24, 1984, for Federal coal leases U-8319 and U-47975. Beaver Creek Coal Company is hereinafter referred to as the lessee/operator.

Condition 1. Statutes and Regulations.--The mining plan approval was made pursuant to Federal coal leases U-8319 and U-47975; the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.); and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.). The mining plan approval is subject to all applicable regulations of the Secretary of the Interior including, but not limited to, 30 CFR Chapter VII and 43 CFR Group 3400, and to all regulations of the Secretary of Energy, which are now or hereafter in force; and all such regulations are made a part hereof. The lessee/operator shall comply with the provisions of the Water Pollution Control Act (33 U.S.C. 1151 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.) and other applicable Federal laws.

Condition 2. The current mining plan approved on August 24, 1984, covers all or portions of Federal coal leases U-8319 and U-47975 as described below:

T. 13 S., R. 7 E., S.L.M

Sec. 12: E1/2, E1/2 W1/2

Sec. 13: NE1/4 NE1/4, N1/2 NW1/4 NE1/4,
N1/2 S1/2 NW1/4 NE1/4, S1/2 S1/2, NW1/4 NE1/4
S1/2 NE1/4, E1/2 W1/2, SE1/4

Sec. 24: N1/2 NE1/4, NE1/4 NW1/4

T. 13 S., R. 8 E., S.L.M.

Sec. 18: Lots 1-4, NW1/4 NE1/4, S1/2 NE1/4, E1/2 NW1/4,
NE1/4 SW1/4

Sec. 19: Lots 1 and 2, SE1/4 NW1/4

as shown on the map appended hereto as Exhibit A.

- Condition 3. The lessee/operator shall conduct coal development and mining operations only as described in the complete permit application package approved by the Utah Division of Oil, Gas and Mining, except as otherwise directed in the conditions of the mining plan approval as contained herein.
- Condition 4. The lessee/operator shall comply with the terms and conditions of the leases and the approved mining plan, and the requirements of the Utah Permit number ACT/007/016 issued under the Utah State program, approved pursuant to the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.).
- Condition 5. The mining plan approval shall be binding on any person conducting coal development or mining operations under the approved mining plan and shall remain in effect until superseded, cancelled, or withdrawn.
- Condition 6. The lessee/operator shall allow the authorized representatives of the Secretary, and the Utah Division of Oil, Gas and Mining, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- a. Have the rights-of-entry provided for in 30 CFR 842.13, 43 CFR Group 3400, and UMC/SMC 840.12 and 842.13; and
 - b. Be accompanied by private persons for the purpose of conducting an inspection in accordance with 30 CFR 842.12 and UMC/SMC 842.12, when the inspection is in response to an alleged violation reported by the private person.
- Condition 7. If during the course of mining operations previously unidentified prehistoric or historic resources are discovered, the lessee/operator shall ensure that the resources are not disturbed and shall notify Utah Division of Oil, Gas and Mining and OSMRE. The lessee/operator shall take such necessary actions as are required by Utah Division of Oil, Gas and Mining in coordination with OSMRE.

R. 7 E.

R. 8 E.

Exhibit A
MINING PLAN APPROVAL AREA MAP
Gordon Creek No. 2 Mine

U-8319

U-47975

GORDON CREEK NO. 2
PORTALS

OUTSIDE PERMIT AREA

PERMIT
BOUNDARY

LEGEND

 MINING PLAN
APPROVAL AREA

U-2000



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

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

October 11, 1988

Mr. Richard D. Pick, President
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dear Mr. Pick:

Re: Revised State Permit, Beaver Creek Coal Company, Gordon
Creek No. 2 and 7 Mines, ACT/007/016, Folder No. 3, Carbon
County, Utah

Enclosed is a revised permanent program mining permit for the Gordon Creek No. 2 and 7 Mines. Two copies of the permit are included. Please read the stipulations in Attachment A, then sign both copies of the permit and return one to the Division.

This permit incorporates remaining stipulations from the OSM permit, along with DOGM stipulations. Please note the revised permit will still expire on the original permit expiration date, August 27, 1989.

Best regards,

Dianne R. Nielson
Director

JJW/djh
Enclosures
cc: P. Rutledge
R. Hagen
WP+28/8

FEDERAL
(April 1987)

Permit Number ACT/007/016, October 11, 1988
(Revised)

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

This permit, ACT/007/016, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

for the Gordon Creek No. 2 and 7 Mines. Beaver Creek Coal Company (BCCC) is the lessee of federal coal leases U-8319 and U-47975, and the owner/lessee of certain fee-owned parcels. A performance bond is filed with the DOGM in the amount of \$641,443.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA - The permittee is authorized to conduct underground coal mining activities on the following described lands (as shown on the map appended as Attachment B) within the permit area at the Gordon Creek No. 2 and 7 Mines, situated in the state of Utah, Carbon County, and located:

Federal

Township 13 South, Range 7 East, SLM

Section 12: E1/2, E1/2 W1/2;
Section 13: E1/2, E1/2 W1/2
Section 24: N1/2 NE1/4, NE1/4 NW1/4;

Township 13 South, Range 8 East, SLM

Section 7: Lots 3 and 4, SE1/4 SW1/4;
Section 17: SW1/4 SW1/4, Portions of NW1/4 SW1/4, Portions
of SE1/4 SW1/4, Portions of SW1/4, NW1/4
Section 18: Lots 1, 2, 3 and 4, E1/2 W1/2, W1/2 E1/2, E1/2
SE1/4, SE1/4 NE1/4;
Section 19: Lots 1, 2, and 3, NE1/4, E1/2 NW1/4, NE1/4
SW1/4, NW1/4 SE1/4;

Fee

Township 13 South, Range 8 East, SLM

Section 17: SW1/4 SW1/4;
Section 18: SE1/4, SE1/4 SW1/4;
Section 19: NE1/4, NE1/4 NW1/4, N1/2 SW1/4, NW1/4 SE1/4.

This legal description is for the permit area (as shown on Attachment B) of the Gordon Creek No. 2 and 7 Mines. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 PERMIT TERM - This revised permit becomes effective on October 7, 1988 and expires on August 27, 1989.
- Sec. 4 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and UMC 788.17-.19.

- Sec. 5 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, UMC 840.12, 30 CFR 842.13 and UMC 842.13; and
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with UMC 842.12 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 **SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 **ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - B. immediate implementation of measures necessary to comply; and
 - C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 8 **DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

- Sec. 9 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:
- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 10 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 11 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 12 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 13 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.
- Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under UMC 787.
- Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases, the federal mining plan approval, and this permit, the permittee shall comply with the special conditions appended hereto as Attachment A.

The above conditions (Secs. 1-15) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: Dianne R. Nielson
Date: 10-11-88

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Richard J. P. L.
Authorized Representative of
the Permittee
Date: October 12, 1988

APPROVED AS TO FORM:

By: Paul W. Robert
Assistant Attorney General
Date: October 11, 1988

Gordon Creek No. 2 and 7 Mines
Attachment "A"
Special Conditions
October 7, 1988

Condition No. 1

If there is mass movement of material in the mine permit area, the permittee will notify the Division immediately and within 30 days of such notice, submit mitigation plans for the slide area. Within 60 days of such notice, the permittee shall achieve compliance with applicable standards.

Condition No. 2

The permittee shall modify existing power poles and lines within the permit area by November 7, 1988, to the raptor protection design standards specified by the Fish and Wildlife Service.

Condition No. 3

Before any site redisturbance occurs, the permittee must conduct a survey under the supervision of the Division, of the areas to be redisturbed. The survey shall identify and record locations of Hedysarum occidentale var. canone (canyon sweetvetch). If canyon sweetvetch is found in portions of the permit area to be redisturbed, the permittee must develop and submit a mitigation plan for approval, and after approval implement this plan before redisturbance occurs.

Condition No. 4

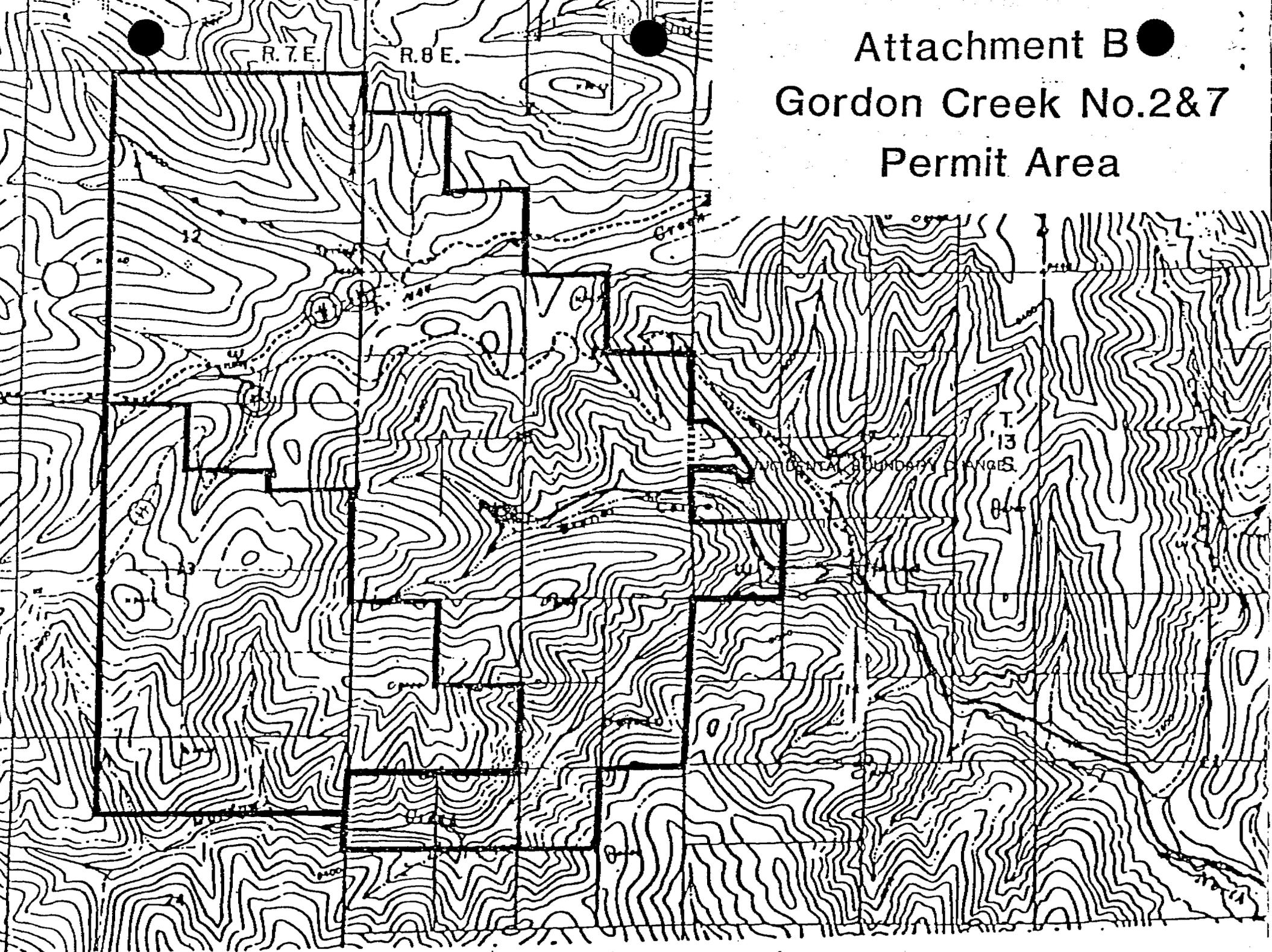
The permittee shall use all spoil material available in the permit area and any other reasonably available spoil material to cover all highwalls to the maximum extent possible. The permittee shall cover all coal seams and any toxic or acid-forming material with no less than four feet of non toxic, and non acid-forming material.

Gordon Creek No. 2 and 7 Mines
Attachment "A"
Special Conditions (continued)
October 7, 1988

Condition No. 5

- A. The applicant shall restore areas impacted by subsidence caused surface cracks or other subsidence features such as escarpments (not to include naturally occurring escarpments which are not a result of mining) which are of a size or nature that could, in the Division's determination, either injure or kill grazing livestock. Restoration shall include recontouring of the affected land surface including measures to prevent rilling, and revegetation in accordance with the approved permanent revegetation plan in the PAP. Restoration shall be undertaken after annual subsidence survey data indicate that the surface has stabilized but in all cases restoration and revegetation shall be completed prior to bond release.
- B. The applicant shall compensate surface owners, except for land owned by the applicant, for lands which cannot be safely grazed due to hazards caused by surface effects of subsidence, with land (in close proximity) of comparable size and grazing capacity to be used for grazing until restoration of the damaged land is achieved.
- C. The applicant shall compensate, at a fair market value, owners of livestock which are injured or killed as a direct result of surface hazards caused by subsidence.

Attachment B
Gordon Creek No.2&7
Permit Area





STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

March 18, 1988

Mr. Dan Guy, Manager
Permitting and Compliance
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dear Mr. Guy:

Re: Review of Mid-Term Review Response, Gordon Creek #2 and 7 Mine,
ACT/007/016, Folder #2, Carbon County, Utah

Division Hydrologist Jim Fricke has reviewed the materials you submitted February 26, 1988, in response to the Division's latest letter on the Gordon Creek #2 and 7 Mine Mid-Term Review.

The Division appreciates the effort put into completing this submittal. However, there are a few items which still need correction as noted on the attached memorandum from Jim Fricke.

As a general observation, the package was in need of an overall edit of the text. To assist you in this we have attached a copy of the text with notations where editorial changes are needed to delete conflicting statements, or make obvious corrections.

Please feel free to contact Jim Fricke if you should have any questions about the technical or editorial changes needed. Please respond to these deficiencies no later than April 15, 1988.

Sincerely,



John J. Whitehead
Permit Supervisor/
Reclamation Hydrologist

djh
Attachment(s)
cc: J. Fricke
B. Stettler
0800R/52



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

March 8, 1988

TO: John Whitehead, Permit Supervisor
FROM: James R. Fricke, Reclamation Hydrologist *JRF*
RE: Mid-Term Review, Beaver Creek Coal Company, Beaver Creek #2
and 7 Mine, ACT/007/016, Folder #2, Carbon County, Utah

The operator has responded (February 24, 1988) to most of the hydrology items noted in Deficiency Letter of January 11, 1988. The following requests must be addressed.

UMC 817.44 Hydrologic Balance: Stream Channel Diversions-(JRF)

The operator has adequately responded to channel design requirements noted in the Mid-Term Review Deficiencies letter of December 31, 1987. However, Division riprap calculations support increasing the D₅₀ on the Gordon Creek diversion. The channel bed D₅₀ (section B-B' to section C-C') should be 1.0 feet, and the channel bank D₅₀ (same profile section) should be 2.0 feet. Appropriate modifications must be made to the gravel filter depth for the protective berm as well as channel bed and bank.

On page 7-131, the filter blanket depth conflicts with Table 7.22. The channel design for the Sub-3 drainage should include bottom width and depth of flow calculations. The Division recommends that two check dams should be installed in the Sub-3 channel.

The operator has proposed to route Bryner Canyon undisturbed drainage through the lower sediment pond. The lower sediment pond would not safely pass the design event (100 year, 24 hour). The Division recommends that the Bryner Canyon diversions bypass the sediment pond. The final reclamation plan should include modified disturbed area drainage and sediment control designs. The operator must justify, with pond calculations, the runoff control through the lower sediment pond.

Page 2
Memo to J. Whitehead
ACT/007/016
March 8, 1988

UMC 817.49 Hydrologic Balance: Permanent and Temporary
Impoundments-(JRF)

UMC 817.49(c) requires that permanent impoundments shall have 2:1 sideslopes and are stable. The pond cross-sections on Plate 3-1A do not meet the 2:1 criteria. The operator must address modifications to the pond sideslopes for stability and the slope criteria. The water quality analysis (Sweet's Pond) and a "signed" landowner consent letter should be submitted.

djh
0799R/46

U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
NOTICE OF A DECISION AND AVAILABILITY
OF BOTH A TECHNICAL ANALYSIS AND AN
ENVIRONMENTAL ASSESSMENT FOR
BEAVER CREEK COAL COMPANY
PERMANENT PROGRAM PERMIT
GORDON CREEK NO. 2 MINE
CARBON COUNTY, UTAH

The United States Department of the Interior, Office of Surface Mining Reclamation and Enforcement (OSM), has approved, with conditions, a 5-year permit for Beaver Creek Coal Company to mine coal at its Gordon Creek No. 2 Mine.

The Gordon Creek No. 2 underground coal mine is located in Carbon County, Utah, located approximately 20 miles northwest of Price, Utah. The mine has been in operation since 1969. The proposed permit area will cover approximately 2300 acres, approximately 20.81 acres of which have been disturbed to date. Maximum mine production is at a rate of 10.58 million tons of coal over 14 years.

Any person with an interest which is or may be adversely affected by this Federal permit approval action may request an adjudicatory hearing on the final decision within 30 days after publication of this notice, in accordance with Section 514(c) of the Surface Mining Control and Reclamation Act (SMCRA). Any hearing will be governed by provisions of 5 U.S.C. Section 554. A petition for review of the OSM decision should be submitted to:

Hearings Division
Office of Hearings and Appeals
U.S. Department of the Interior
4015 Wilson Boulevard
Arlington, Virginia 22203

Pursuant to 40 C.F.R. Sections 1501.4(c) and 1506.6, notice is hereby given that Utah Division of Oil, Gas, and Mining has completed a technical analysis (TA) for the mining and reclamation plan (mining plan) for the Gordon Creek No. 2 Mine, Carbon, Utah. OSM has supplemented this TA with its own environmental assessment (EA). OSM's recommendation to approve Beaver Creek Coal Company mining plan and the permit application with conditions is in accordance with Sections 510 and 523 of SMCRA. OSM's analysis is that no significant environmental impacts would result from such approval. For information or clarification concerning the approval of the Gordon Creek No. 2 Mine plan, please contact Mark Humphrey or Walter Swain at (303) 844-3806, Office of Surface Mining, Denver, Colorado.

Both the TA and the EA are available for public review at the following locations:

Office of Surface Mining Reclamation and Enforcement
Western Technical Center
1020 15th Street
Denver, Colorado 80202

Office of Surface Mining Reclamation and Enforcement
Enforcement and Inspection
219 Central Avenue, NW., Room 216
Albuquerque, New Mexico 87102

Utah Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

5 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

March 11, 1985

CERTIFIED RETURN RECEIPT REQUESTED
P-396-996-948

Mr. Dan Guy, Manager
Permitting and Compliance
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dear Mr. Guy,

Re: Review of February 13, 1985, submittal for Special
Conditions 1 and 2, Gordon Creek No. 2, ACT/007/016,
Folder No. 2 and 4, Carbon County, Utah

The material you submitted in response to the Division's deficiency letter of January 18, 1985 is complete and adequate to respond to Special Conditions 1 and 2 contained in the Gordon Creek No. 2 permit.

Thank you for your cooperation in this matter.

Sincerely,

L. P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

JW:jvb

cc: A. Klein
M. Humphrey
S. Cox
J. Whitehead
T. Wright

9294R-6



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

State Office Building • Salt Lake City, UT 84114 • 801-533-5771

February 1, 1985

Mr. Dan Guy, Manager
Permitting and Compliance
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dan
Dear Mr. Guy:

6
Re: Special Condition No. 2, Beaver Creek Coal Company, Gordon Creek No. 2 Mine, ACT/007/016, #2, Carbon County, Utah

During the Division's comparison of the updated Mining and Reclamation Plan copies with the old copies on file, it was noted that Special Condition No. 2 to the Gordon Creek #2 permit has not been addressed. As you will recall, this condition required that the statement on page 10-18 of the Southwest Lease MRP be amended to show that Beaver Creek Coal Company had permits from the USFWS and DWR for removal of one nest in the area of exploration.

The Division has completed its comparison of the new MRP copies and no longer has a need for the old copies. These may be picked up the next time you are in the office or the old copies can be sent to your office in Price. Please notify the Division if you want these old volumes sent to you.

Your prompt correction of page 10-18 of the Southwest Lease MRP will be most appreciated. Eleven (11) copies of the amended page will suffice.

Sincerely,

Mary M. Boucek
Mary A. Boucek
Permit Supervisor/
Reclamation Biologist

jvd
cc: S. Cox
0119R-3

4-P-5-1-6



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

August 27, 1984

Mr. J. A. Herickhoff
General Manager
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dear Mr. Herickhoff:

RE: State Permit Approval, Beaver Creek Coal Company, Gordon
Creek #2 Mine, ACT/007/016, #2, #4 and #6, Carbon County,
Utah

The Division has received a signed copy of the Office of Surface Mining's permit with conditions for the above referenced mine, thereby indicating that Beaver Creek Coal Company accepts and will comply with all conditions and time frames set forth in the permit. A signed and executed bond in the amount of \$461,638.50 and payable to both the State of Utah and the United States of America has also been received.

Therefore, the State of Utah hereby issues Final Permit Approval for the Gordon Creek #2 Mine at this time. Consider this letter to be the Permanent Coal Regulatory Program Permit for the above referenced mine. This permit is issued in conjunction with the special conditions contained in Attachment A of the Federal Permit UT-0010, 8/84 and the additional permit conditions required by the Utah Coal Mining and Reclamation Permanent Program, Chapter I (UCA 40-10-1 et seq.), Section UMC 786.29 (appended to this letter). Please assure that all conditions with time deadlines for completion are fulfilled utilizing the August 27, 1984 as the permit approval date.

Page Two

Mr. J. A. Herickhoff.
ACT/007/016
August 27, 1984

The Division greatly appreciates the cooperation and enthusiasm your staff has shown in working with us during the permitting process, and we look forward to dealing with your company in the future.

Best regards,



Dianne R. Nielson
Director

MMB:btb

cc: Dan Guy
Robert Hagen
Allen Klein
Steve Manger
Ron Daniels
Jim Smith
Mary Boucek
Joe Helfrich
Steve Cox

88130-50 & 51

UMC 786.29 Conditions Of Permits: Environment, Public Health, And Safety.

Each permit issued by the Division shall ensure and contain specific conditions requiring that the-

(a) Permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from non-compliance with any term or conditions of the permit, including, but not limited to:

(1) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;

(2) Immediate implementation of measures necessary to comply; and

(3) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the non-compliance.

(b) The permittee shall dispose of solids, sludge, filter backwash, or pollutants removed in the course of treatment or control of waters or emissions to the air in the manner required by Subchapter K of this Chapter, the regulatory program, and which prevents violation of any other applicable State or Federal law.

(c) The permittee shall conduct its operations-

(1) In accordance with any measures specified in the permit as necessary to prevent significant, imminent environmental harm to the health or safety of the public; and,

(2) Utilizing any methods specified in the permit by the Division in approving alternative methods of compliance with the performance standards of the Act and the regulatory program, in accordance with the provisions of the Act, UMC 786.19(m), and Subchapter K.



United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement

BROOKS TOWERS

1020 15TH STREET

DENVER, COLORADO 80202

Aug 27, 1984

Mr. Herickhoff
Beaver Creek Coal Company
P.O. Box AU
Price, Utah 84501

Dear Mr. Herickhoff:

Enclosed is the Gordon Creek No. 2 Mine permit with conditions. This permit will become effective only when the Office of Surface Mining (OSM) has received a copy of the bond in the amount of \$461,638.00 payable to both the State of Utah and the United States of America and OSM has received a copy of this permit signed and dated by the permittee.

Please read the permit to be sure you understand the requirements and conditions. Pursuant to 30 CFR 775.11, Beaver Creek Coal Company will have 30 days from the date of official notification to appeal the Director's decision on the application.

Also enclosed is a copy of the newspaper notice we are sending to the The Sun-Advocate, Carbon County, Utah to be published as soon as possible. When published, this notice will constitute official notification of our action. Any person with an interest which is or may be adversely affected may request a hearing on the reasons for the final decision within 30 days from the date that notice is published.

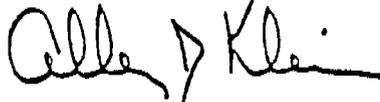
The permit has been provided in duplicate, so you can retain one copy with original signatures and return one copy with original signatures to us as an expressed acknowledgement that you have read and understood it. The complete decision package is available upon request.

The Assistant Secretary for Land and Minerals Management approved the mining plan on August 24, 1984. The enclosed permit has been determined to be consistent with this plan.

Page 2, Gordon Creek No. 2

If you have any questions, please feel free to call either me at (303) 844-5656 or Mark Humphrey at (303) 844-3806.

Sincerely,



Allen D. Klein
Administrator
Western Technical Center

Enclosures .

cc: Mr. Jackson Moffitt
Bureau of Land Management, (MMS)

Mr. Gene Nodine
Bureau of Land Management

Dr. Dianne Nielson
Utah Division Of Oil Gas and Mining

Mr. Robert Hagen
Albuquerque Field Office
Office of Surface Mining

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING

This permit, UT-0010, 8/84 which incorporates Utah Permit ACT/007/016, is issued for the United States of America by the Office of Surface Mining (OSM) to:

Beaver Creek Coal Company
P.O. Box AU
Price, Utah 84501

for the Gordon Creek No.2 Mine. Beaver Creek Coal Company is the lessee of Federal coal lease U8319 and U-47975. The permit is not valid until a performance bond is filed with the OSM in the amount of \$461,638.00, payable to the United States of America and the State of Utah, and the OSM has received a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. 1201 et seq., hereafter referred to as SMCRA, and the Federal coal leases issued pursuant to the Mineral Leasing Act of February 15, 1920, as amended, 30 U.S.C. 181 et seq., the Federal Coal Leasing Amendments Act of 1976, as amended 30 U.S.C. 201 et seq. and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of September 7, 1947, as amended, 30 U.S.C. 351 et seq. This permit is also subject to all regulations of the Secretary of the Interior including, but not limited to, 30 CFR Chapter VII and 43 CFR Part 3400, and to all regulations of the Secretary of Energy promulgated pursuant to Section 302 of the Department of Energy Organization Act of 1977, 42 U.S.C. 7152, which are now in force or, except as expressly limited herein, hereafter in force, and all such regulations are made a part hereof.

Sec. 2 The permittee is authorized to conduct surface coal mining and reclamation operations on Federal lands (as shown on ownership map) within the permit area at the Gordon Creek No. 2 Mine situated in the State of Utah, Carbon County, and located:

T. 13 S., R. 7 E., S.L.M.; sec. 12, E1/2, E1/2W1/2; sec. 13, E1/2, E1/2W1/2, sec. 24, N1/2NE1/4, NE1/4NW1/4;

T. 13 S., R. 8 E., S.L.M.; sec. 7, lots 3 and 4, SE1/4SW1/4; sec. 17, SW1/4SW1/4, Portions of NW1/4SW1/4, Portions of SE1/4SW1/4, Portions of NW1/4SW1/4; sec. 18 lots 1, 2, 3, and 4, E1/2W1/2, W1/2E1/2, E1/2SE1/4, SE1/4NE1/4; sec. 19, lots 1, 2, and 3, NE1/4, E1/2NW1/4, NE1/4SW1/4, NW1/4SE1/4;

and to conduct surface coal mining and reclamation operations on the foregoing described property subject to the conditions of the leases, the approved mining plan, and Utah State permit ACT/007/016, issued concurrently with this permit (UT-0010, 8/84), including all conditions, and all other applicable conditions, laws and regulations.

Sec. 3

This permit is issued for a term of 5 years commencing on the date the permit is signed by the permittee, except that this permit will terminate if the permittee has not begun the surface coal mining and reclamation operations covered herein within 3 years of the effective date.

Sec. 4

The permit rights may not be transferred, assigned, or sold without the approval of the Director, OSM. Request for transfer, assignment, or sale of permit rights must be done in accordance with 30 CFR 740.13(e).

Sec. 5

The permittee shall allow the authorized representatives of the Secretary, including, but not limited to, inspectors, fee compliance officers, and the Utah Division of Oil, Gas, and Mining without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- a. Have the rights of entry provided for in 30 CFR 842.13 and UMC 842.13; and,
- b. Be accompanied by private persons for the purpose of conducting an inspection in accordance with 30 CFR 842 and UMC 842 when the inspection is in response to an alleged violation reported by the private person.

Sec. 6

The permittee shall conduct surface coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the mining plan and permit application and approved for the term of the permit and which are subject to the bond.

Sec. 7

The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of this permit, including, but not limited to:

- a. Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
- b. Immediate implementation of measures necessary to comply; and
- c. Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

- Sec. 8 The permittee shall dispose of solids, sludge, filter backwash, or pollutants removed in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program and which prevents violation of any other applicable State or Federal law.
- Sec. 9 The permittee shall conduct its operations:
- a. In accordance with any measures specified in the permit as necessary to prevent significant, imminent environmental harm to the health or safety of the public; and
 - b. Utilizing any methods specified within the permit by Utah Division of Oil, Gas, and Mining and OSM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program, the Federal Lands Program, UMC 786.19(m), and Subchapter K.
- Sec. 10 The permittee shall provide the names, addresses, and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 11 The permittee shall comply with the provisions of the Water Pollution Control Act (33 U.S.C. 1151 et seq.) and the Clean Air Act (42 U.S.C. 7401 et seq.).
- Sec. 12 Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 13 If during the course of mining operations previously unidentified cultural resources are discovered, the applicant shall ensure that the site(s) is not disturbed and shall notify OSM. The operator shall ensure that the resource(s) is properly evaluated in terms of National Register Eligibility Criteria (36 CFR 60.6). Should a resource be found eligible for listing in consultation with the OSM, the land managing agency (if the site is located on Federal Lands), and the State Historic Preservation Officer (SHPO), the operator shall confer with and obtain the approval of these agencies concerning the development and implementation of mitigation measures.

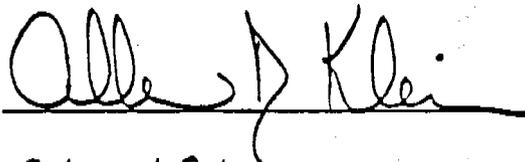
Sec. 14 APPEALS - The lessee shall have the right to appeal:
(a) under 30 CFR 775 from actions or decisions of any official of OSM; (b) under 43 CFR 3000.4 from an action or decision of any official of the Bureau of Land Management; (c) under 30 CFR 290 from an action, order, or decision of any official of the Branch of Solid Minerals; or (d) under applicable regulations from any action or decision of any other official of the Department of the Interior arising in connection with this permit.

Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and of performance set out in the leases, Utah State permit (ACT/007/016) and this permit, the permittee shall comply with the special conditions of Utah State permit (ACT/007/016) and the conditions appended hereto as Attachment A.

These conditions are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the leases. The permittee shall require his agents, contractors, and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the grantor and the permittee at any time to adjust to changed conditions or to correct an oversight. The grantor may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new Federal or State statutes and any new regulations.

THE UNITED STATES OF AMERICA

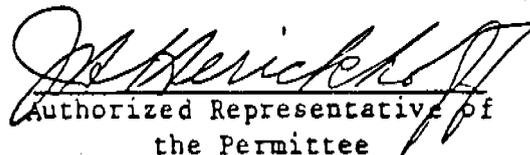
By:



8/27/84

Date

I certify that I have read and understand the requirements of this permit and any special conditions attached.


Authorized Representative of
the Permittee

Attachment A

Special Conditions

1. The permittee shall, within 30 days of the effective date of this permit, provide acceptable measures (accompanied by supporting calculations) which will be used for erosion protection for undisturbed ditch DU-3. If the regulatory authority notifies the permittee that these measures are not acceptable, the permittee must submit revised plans within 30 days of notification, and adequate protection measures for DU-3 must be in place within 90 days of approval.
2. Based on the results of the bedrock study the permittee has performed, the permittee will submit design and installation measures, within 30 days of the effective date of this permit, for the erosion protection measures in the Bryner Canyon bypass ditch and the disturbed area ditch which parallels it at the points identified in the compliance section of UMC 817.47. The design and installation measures submitted will contain flow velocity calculations, riprap sizing and depth of placement, channel bedding or lining materials to be used under the riprap and drawings showing configuration, location and size of gabions if used. If the regulatory authority notifies the permittee that the design and installation measures submitted are not adequate, the permittee shall submit revised plans within 30 days of notification and within 120 days of such notification shall achieve compliance with the applicable standards.
3. The permittee shall monitor all inflows of 1 gpm or greater in the "in-mine" water monitoring program. If more than 1 gpm or larger inflow occurs within 100 feet in any direction from the source of the flow, the permittee will forward to the regulatory authority information outlining the number, source area, flow rate and locations of such inflows. The number and location of sampling points at the multiple inflow areas will then be determined by the regulatory authority.
4. The permittee shall quarterly monitor sampling sites 2-10-W and 2-11-W and utilize the field measurements and chemical parameters on page 7-83 of the Gordon Creek PAP.

5. The permittee shall establish a riparian area at the Gordon Creek #3 Minesite not only under BLM, USFS and DWR permits, but also as part of the wildlife mitigation plan for the Gordon Creek #2 Mine, and shall abide by the provisions of the October 13, 1983, Division of Wildlife Resources Certificate of Registration.
6. The permittee shall amend the statement on page 10-18 of the Southwest Lease PAP to show that Beaver Creek Coal Company had permits from U.S. Fish and Wildlife Service and Division of Wildlife Resources for removal of one nest in the area of exploration.
7. If there is mass movement of material in the mine permit area, the permittee will notify the Division immediately and within 30 days of such notice submit mitigation plans for the slide area. Within 60 days of such notice, the permittee shall achieve compliance with the applicable standards.
8. Before further secondary mining takes place inside of a 20 degree angle of draw measured from vertical on each bank of the-- Beaver Creek, the permittee must demonstrate through submittal of sufficient technical information and analysis, subject to regulatory authority approval, that Beaver Creek is not likely to be affected by subsidence.

In addition, prior to September 1, 1984, the permittee shall submit to the regulatory authority for approval, a plan to mitigate adverse subsidence effects to Beaver Creek in the event subsidence effects do occur.

At such time that the permittee or the regulatory authority determines that subsidence within the permit area has adversely affected Beaver Creek, the permittee shall notify the regulatory authority in writing, concerning the kind and extent of the damage, and begin implementation of the approved mitigation plan as directed by the regulatory authority.

9. The permittee shall contribute, based upon one year's net water depletion to the Colorado River due to the permittee's operation, to the U.S. Fish and Wildlife Service's (Endangered Species Office) study of endangered fish species in the Colorado River.

10. The permittee shall, in consultation with the U.S. Fish and Wildlife Service, modify the existing power poles and lines servicing the Southwest Lease area within 30 days of the effective date of this permit, to the raptor proof design standards specified by the Fish and Wildlife Service.

11. Before any site redisturbance occurs, the permittee must conduct a survey, under the supervision of the regulatory authority, of the areas to be redisturbed. The survey shall identify and record locations of individuals and populations of Hedysarum occidentale var. canone (canyon sweet-vetch). If canyon sweet-vetch is found in portions of the permit area to be redisturbed, the permittee must develop and submit a mitigation plan for regulatory authority approval and after approval implement this plan before redisturbance occurs.
::

12. The permittee shall use all spoil material available in the permit area and any other reasonably available spoil material to cover all highwalls to the maximum extent possible. The permittee shall cover all coal seams and any toxic or acid-forming material with no less than four feet of non toxic,-- and non acid-forming material.

U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
NOTICE OF A DECISION AND AVAILABILITY
OF BOTH A TECHNICAL ANALYSIS AND AN
ENVIRONMENTAL ASSESSMENT FOR
BEAVER CREEK COAL COMPANY
PERMANENT PROGRAM PERMIT
GORDON CREEK NO. 2 MINE
CARBON COUNTY, UTAH

The United States Department of the Interior, Office of Surface Mining Reclamation and Enforcement (OSM), has approved, with conditions, a 5-year permit for Beaver Creek Coal Company to mine coal at its Gordon Creek No. 2 Mine.

The Gordon Creek No. 2 underground coal mine is located in Carbon County, Utah, located approximately 20 miles northwest of Price, Utah. The mine has been in operation since 1969. The proposed permit area will cover approximately 2300 acres, approximately 20.81 acres of which have been disturbed to date. Maximum mine production is at a rate of 10.58 million tons of coal over 14 years.

Any person with an interest which is or may be adversely affected by this Federal permit approval action may request an adjudicatory hearing on the final decision within 30 days after publication of this notice, in accordance with Section 514(c) of the Surface Mining Control and Reclamation Act (SMCRA). Any hearing will be governed by provisions of 5 U.S.C. Section 554. A petition for review of the OSM decision should be submitted to:

Hearings Division
Office of Hearings and Appeals
U.S. Department of the Interior
4015 Wilson Boulevard
Arlington, Virginia 22203

Pursuant to 40 C.F.R. Sections 1501.4(c) and 1506.6, notice is hereby given that Utah Division of Oil, Gas, and Mining has completed a technical analysis (TA) for the mining and reclamation plan (mining plan) for the Gordon Creek No. 2 Mine, Carbon, Utah. OSM has supplemented this TA with its own environmental assessment (EA). OSM's recommendation to approve Beaver Creek Coal Company mining plan and the permit application with conditions is in accordance with Sections 510 and 523 of SMCRA. OSM's analysis is that no significant environmental impacts would result from such approval. For information or clarification concerning the approval of the Gordon Creek No. 2 Mine plan, please contact Mark Humphrey or Walter Swain at (303) 844-3806, Office of Surface Mining, Denver, Colorado.

Both the TA and the EA are available for public review at the following locations:

1987

SUBSIDENCE MONITORING REPORT

A&W SURVEYING

317 SOUTH 2ND WEST - PRICE, UTAH - (801) 637-3686

October 24, 1988

Dan Guy
Beaver Creek Coal Company
P.O. Box 1378
Price, Utah 84501

Dear Mr. Guy:

Enclosed are copies of field notes, coordinates, and elevations of the subsidence survey at the Gordon Creek No. 2, No. 3, No. 6, and No. 7 Mines.

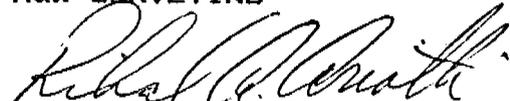
Three additional points were set for Beaver Creek No. 8 Mine as per your request. Copies of field notes, coordinates, and elevations of these points are enclosed.

I am also enclosing a list using your format for comparison of the elevations, latest change, and accumulated change.

If I can be of any further assistance, please do not hesitate to call.

Respectively yours,

A&W SURVEYING



Richard A. Ariotti, R.L.S.

A&W SURVEYING

317 SOUTH 2ND WEST - PRICE, UTAH - (801) 637-3686

SUBSIDENCE MONITORING
FOR
GORDON CREEK #7 MINE

STATION	ORIG. ELEV.	SURVEY ELEV.				CHANGES	
	9/24/86	6/12/86	10/14/86	8/15/87	10/1/88	LATEST	ACC.
SWEETS	9174.513	9174.513	9174.513	9174.513	9174.513	-	-
'H'	8849.120	8849.120	8849.120	8849.120	8849.120	-	-
'I'	9040.049	9039.714	9039.697	9039.654	9038.291	-1.363	-1.758
Sub-1	8295.284	8295.278	8295.312	8295.376	8295.160	-0.216	-0.124
Sub-2	8416.227	8416.194	8416.206	8416.197	8416.179	-0.018	-0.048
Sub-4	9042.727	9042.740	9042.712	9042.751	9039.971	-2.780	-2.756
5	9220.773	9221.004	9221.044	9220.811	9221.024	0.213	0.251
6	8649.193	8646.524	8646.472	8646.450	8646.402	-0.048	-2.791
Sub-7	8724.159	8723.478	8723.318	8723.289	8723.215	-0.074	-0.944
Sub-8	8967.402	8966.790	8966.676	8966.622	8966.323	-0.299	-1.079
Sub-9	8901.147	8900.433	8900.008	8899.904	8899.609	-0.295	-1.538
Sub-10	8864.970	8864.087	8863.691	8863.628	8863.346	-0.274	-1.624
Sub-11	9050.850	9050.872	9050.720	9050.234	9049.487	-0.747	-1.363
Sub-12	8977.577	8977.526	8977.341	8975.913	8975.124	-0.789	-2.453
Sub-13	8887.506	8887.528	8887.329	8885.186	8884.772	-0.414	-2.734
Sub-14	9059.611	9059.614	9059.575	9059.692	9059.530	-0.162	-0.081
Sub-15	9000.420	9000.449	9000.371	9000.534	9000.266	-0.268	-0.154
Sub-17	8905.849	8905.630	8905.590	8905.736	8905.449	-0.287	-0.400
Sub-18	8662.317	8662.097	8662.031	8662.199	8661.898	-0.301	-0.419
Sub-19	9098.256	9097.999	9097.747	9097.502	9097.093	-0.409	-1.163
Sub-20	8908.330	8908.057	8908.060	8906.775	8906.000	-0.775	-2.330
Sub-21	8755.014	8754.819	8754.730	8754.599	8754.221	-0.378	-0.793
Sub-22	8757.128	8756.914	8756.907	8755.064	8754.704	-0.360	-2.424
Sub-23	8788.448	8788.409	8788.426	8788.407	8787.532	-0.875	-0.916
Sub-24	8762.659	8762.729	8762.599	8762.650	8759.026	-3.632	-3.633

A&W SURVEYING

317 SOUTH 2ND WEST - PRICE, UTAH - (801) 637-3686

SUBSIDENCE MONITORING
FOR
GORDON CREEK #2 MINE & BEAVER CREEK

STATION	ORIG. ELEV.	SURVEY ELEV.			CHANGES	
	7/29/86	10/27/86	8/16/87	10/2/88	LATEST	ACC.
SWEETS	9174.513	9174.513	9174.513	9174.513	-	-
"H"	8849.120	8849.120	8849.120	8849.120	-	-
"A"	8653.167	8653.510	8653.553	8653.491	-0.062	0.324
"B"	8241.927	8242.048	8241.862	8242.316	0.454	0.389
B-1	8542.205	8542.053	8542.250	8542.322	0.072	0.117
B-2	8557.768	8557.610	8557.780	8557.897	0.117	0.129
B-3	8571.868	8571.696	8571.837	8571.931	0.094	0.063
B-4	8594.970	8594.822	8594.959	8595.039	0.000	0.069
B-5	8590.990	8590.851	8590.997	8591.065	0.068	0.075
B-6	8652.996	8652.852	8652.947	8653.084	0.137	0.088
B-7	8635.952	8635.884	8635.894	8636.104	0.210	0.152
B-8	8893.432	8893.356	8893.395	8893.507	0.112	0.075
B-9	8409.744	8409.870	8409.843	8409.715	-0.128	-0.029
B-10	8792.567	8792.619	8792.108	8792.631	0.523	0.064

A&W SURVEYING

317 SOUTH 2ND WEST - PRICE, UTAH - (801) 637-3686

SUBSIDENCE MONITORING
FOR
BEAVER CREEK #8 MINE

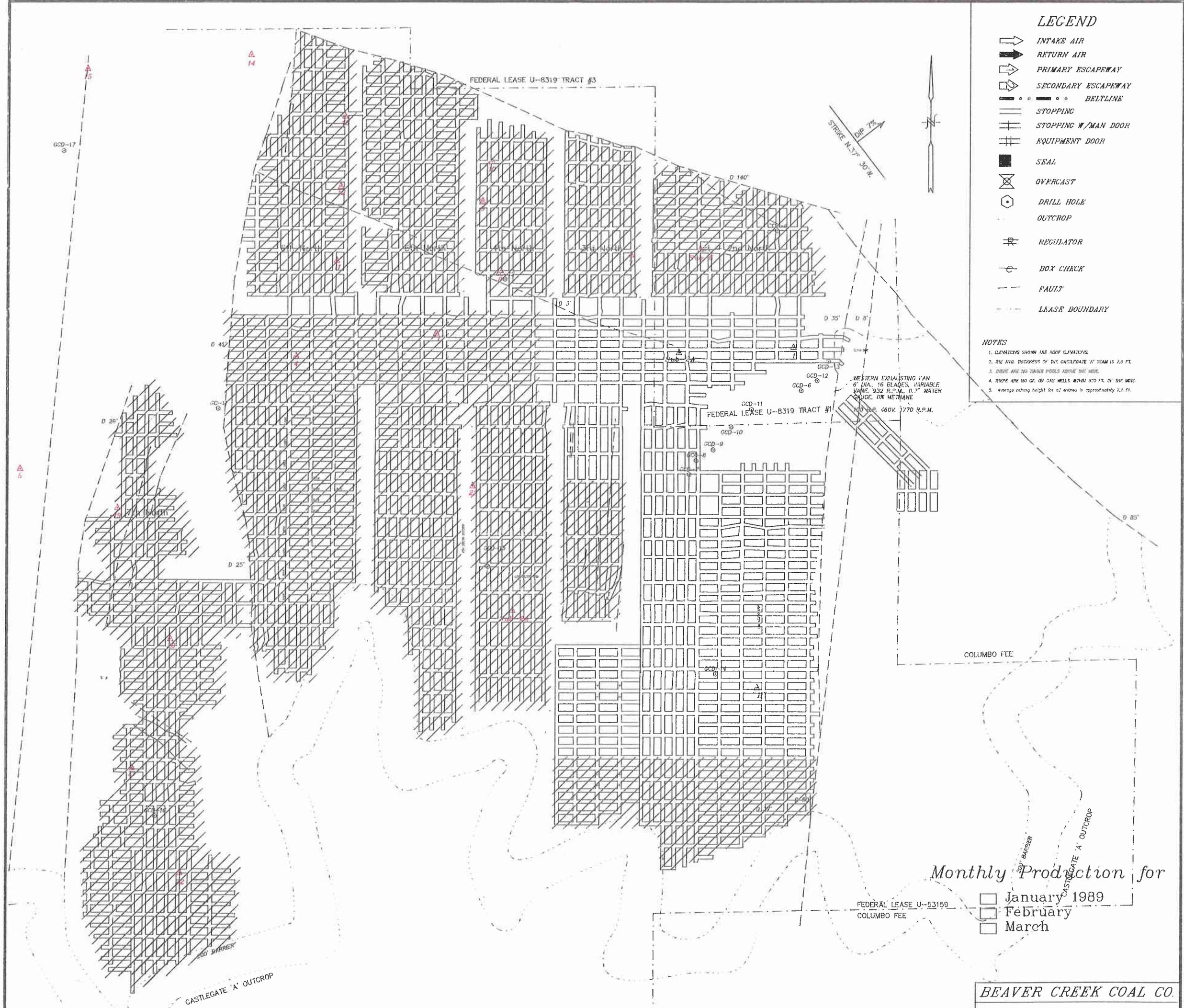
STATION	ORIG. ELEV. 10/9/88	SURVEY ELEV.	CHANGES	
			LATEST	ACC.
SWEETS	9174.513			
"H"	8849.120			
SUB-25	8561.790		0.000	0.000
SUB-26	8641.822		0.000	0.000
SUB-27	8615.259		0.000	0.000

UPDATED MINE MAP

LEGEND

-  INTAKE AIR
-  RETURN AIR
-  PRIMARY ESCAPEWAY
-  SECONDARY ESCAPEWAY
-  BELTLINE
-  STOPPING
-  STOPPING W/MAN DOOR
-  EQUIPMENT DOOR
-  SEAL
-  OVERCAST
-  DRILL HOLE
-  OUTCROP
-  REGULATOR
-  BOX CHECK
-  FAULT
-  LEASE BOUNDARY

- NOTES**
1. ELEVATIONS SHOWN ARE ROOF ELEVATIONS
 2. THE AVG. THICKNESS OF THE CASTLEGATE 'A' SEAM IS 2.0 FT.
 3. THERE ARE NO WATER POOLS ABOVE THE SEAM.
 4. THERE ARE NO GAS OR GAS WELLS WITHIN 500 FT. OF THE SEAM.
 5. Average mining height for all entries is approximately 7.0 FT.



Monthly Production for

- January 1989
- February
- March

BEAVER CREEK COAL CO.

GORDON CREEK NO. 7 MINE MAP
16 Miles West off Highway 50 & 6
CASTLEGATE 'A' SEAM

1988

VEGETATION DATA

EIS

ENVIRONMENTAL INDUSTRIAL SERVICES

P.O. Box 358 - Desert Lake Road - Elmo, Utah 84521 - Telephone (801) 653-2606

Mel Coonrod - Vice-President

November 8, 1988

Mr. Dan Guy
Beaver Creek Coal Company
P.O. Box 1378
Price, Utah 84501

Re: Ocular Inventory of Vegetation
Success #2 and 7 Mine
As Required in Approved M.R.P.

Dear Mr. Guy:

An ocular inventory of all interim and final revegetation at the #2 and 7 mine was completed during September of 1988.

All areas appear to be well established with vegetative cover on an average of 60+. The soils are stable and in large, there is no new evidence of erosion on the reclaimed sites. Trespass grazing was in evidence, however, the impact appeared to be minor with no long term effects.

Species diversity is less than desirable on the old portal site, but could be easily increased by supplementing with containerized stock when the balance of the property is reclaimed.

Interim vegetation is well established on all but the most extreme highwalls adjacent to the conveyor, however, the sites appear relatively stable and most likely would not support additional vegetation.

No problem relative to noxious weeds, rodents or insects were noted.

We appreciate the opportunity to have been of service to Beaver Creek Coal Company and look forward to working with you on future projects.

Sincerely,



Melvin A. Coonrod

1988

MODIFICATIONS / AMENDMENTS



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

September 20, 1988

Mr. Dan Guy, Manager
Permitting & Compliance
Beaver-Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dear Mr. Guy:

Re: Final Approval, Amendment, Number Eight Mine Portals,
Beaver Creek Coal Company, Gordon Creek No. 2 and 7 Mine,
ACT/007/016(88-A), Folder #3, Carbon County, Utah

Division technical staff have reviewed the submittal received September 9, 1988 regarding the above noted amendment. The Division hereby approves this amendment.

Thank you for your cooperation in this matter. If you have any questions, please call Brent Stettler or me.

Sincerely,

John J. Whitehead
Permit Supervisor/
Reclamation Hydrologist

djh
Enclosure(s)
cc: R. Hagen
P. Rutledge
Tech Review Team
WP+15/18

Inspection File



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

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

February 14, 1989

TO: John Whitehead, Permit Supervisor
FROM: Brent Stettler, Reclamation Biologist *Brent*
RE: Powerline Modification, Beaver Creek Coal Company, Gordon
Creek #2 and 7 Mine, ACT/007/016, Folder #2, Carbon County,
Utah

The issue of raptor safety on powerlines at the Gordon Creek No. 2 and 7 Mine has been a protracted affair. In a memo to John Whitehead dated July 27, 1988, I outlined the history of the issue. Because of questions raised in that memo, I made a written request of Clark Johnson, U.S. Fish and Wildlife Service (USFWS), to re-inspect all Gordon Creek lines under Beaver Creek Coal Company (BCCC) control. On September 13, 1988, Mr. Johnson inspected the line from Beaver Creek's substation to the mine yard.

In correspondence dated September 26, 1988, he recommended that ground wires be gapped on all poles from the substation to the Gordon Creek No. 2 and 7 Mine. BCCC completed modification of ground wires by November 7, 1988, in compliance with the Division's directive dated October 6, 1988. On November 7, 1988 I walked the line to document compliance, and found several poles which had not been properly gapped. BCCC corrected the omission and I inspected once again on December 2, 1988. On December 7, 1988, I reported back to Clark Johnson that gapping had been completed, as requested. At that time, Mr. Johnson suggested we take a look at the poles in the mine yard to determine raptor safety.

On February 1, 1989, Clark Johnson, Dan Guy of BCCC, Bill Malencik of the Price Field Office (DOGM) and I met at the Gordon Creek No. 2 and 7 Mine for the purpose of inspecting the lines. Mr. Johnson was satisfied with powerpoles servicing the No. 7 Mine, which were protected with raptor perch guards. However, in the lower No. 2 Mine yard were three tall poles (between the trailers and the top of the coal stockpile), having multiple conductors and cross arms. Mr. Johnson recommended that elevated perches be bolted to the top of each of the three poles.

Page 2
Memo to J. Whitehead
ACT/007/016
February 14, 1989

The Division is reluctant to require modification of the three poles, as recommended by USFWS, due to the circumstances explained below:

1. Raptors have never been observed using the power poles within the mine yard, nor has the mine been known to have ever electrocuted a bird. The mine's canyon bottom location, coupled with mine activities and noise, appears to discourage use by raptors.
2. The No. 2 Mine powerline will be decommissioned in two years, according to Dan Guy. Given the unblemished history of the line and its short service life, modification is not considered expedient.
3. BCCC has a history of cooperation with regulatory authorities. Recent ground wire gapping and installation of perch guards on all poles servicing the No. 7 Mine are evidence of the company's good faith. In the remote event of raptor electrocution, BCCC may be expected to report the kill and immediately implement the measures recommended by USFWS in correcting the hazard.
4. Regulatory authorities have not been consistent in their determinations of raptor safety over the years. Powerline designs which at one time had received clearance were all-too-often re-examined and found inadequate. BCCC is deserving of relief from recurring requests for powerline modification.

In summary, the Division recommends, but will not require, BCCC to make further modifications of existing powerlines. New poles, however, must be constructed according to the standards established by "Suggested Practices for Raptor Protection on Power Lines - The State of The Art in 1981", published by Raptor Research Foundation, Inc. If a raptor electrocution should occur, BCCC will be in violation of the Migratory Bird Treaty Act of 1918, as amended. In which case, they will be responsible for immediately rectifying the offending poles to the satisfaction of USFWS.

djh
cc: D. Guy, BCCC
C. Johnson, USFWS
AT68/1-2



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

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

October 4, 1988

Mr. Dan Guy, Manager
Permitting & Compliance
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dear Mr. Guy:

Re: Final Approval, Amendment for Elimination of Coal Fine
Percentage Discrepancy in PAP, Beaver Creek Coal Company,
Gordon Creek No. 2 and 7 Mine, ACT/007/016-87F, Folder
No. 3, Carbon County, Utah

I have reviewed your submittal dated September 8, 1988,
regarding the above-noted amendment. The revised page 3-37
adequately addresses the concerns noted in my August 7, 1988
letter. This letter confirms formal approval for this
amendment.

If you have any questions, please call me.

Sincerely,

A handwritten signature in cursive script that reads "John J. Whitehead".

John J. Whitehead
Permit Supervisor/
Reclamation Hydrologist

djh
cc: R. Hagen
J. Helfrich
WP+/43

BEAVER CREEK Coal Company

Post Office Box 1378
Price, Utah 84501
Telephone 801 637-5050



September 8, 1988

Mr. John J. Whitehead
Permit Supervisor
Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: M.R.P. Amendment
Coal Fine Percentage
Gordon Creek No.2 and 7 Mine
ACT/007/016-87F; #2
Carbon County, Utah

Dear Mr. Whitehead:

Enclosed are 14 copies of a revised page 3-37 for the Gordon Creek No.2 Mine Plan. This submittal includes the correction requested in your letters of July 7, 1988 and August 30, 1988.

If you have any questions, or need any further information, please let me know.

Respectfully,

Dan W. Guy,
Manager Permitting/Compliance

cc: Johnny Coffey
File
IBMCATHY7

3.4.4 Preservation of Soil Resources and Projected Impacts of Mining on Soil Resources (continued)

With special handling, the disturbed land fill should provide a suitable seedbed for revegetation. Special handling will include removal of contaminated material and large coarse rock fragments (greater than 18"). The large rock fragments will be used as rip-rap in channel restoration, buried with the fill, or hauled to C.V. Spur, or an approved industrial waste disposal site for disposal. Contaminated material includes that with oil and grease or greater than 50% coal fines. This will be determined by visual inspection, and any material with visible oil or grease contamination, or suspected of having greater the 50% coal fines will be removed. The volume of such material cannot be accurately estimated; however, it will likely be less than 2% of total volume. (See Sec. 8.6.4, p. 8-28).

Material with less than 50 percent coal fines will be buried against the highwalls and covered with a minimum of four feet of incombustible material.

The contaminated material will be removed to the C.V. Spur Refuse Disposal Site, or an approved industrial waste disposal site. All areas will be ripped to loosen the fill profile and pulverized if a cloddy surface exists. Prior to revegetation efforts soil analysis will be taken to identify the need for replenishment of various soil nutrients.

3.4.4.1 Control Measures to Mitigate Impact to Soil Resources

Surface disturbance is limited to the boundaries established on the Soils Map, Plate 8-1. Mining activities are limited to those boundaries so that in-place soils are not impacted. Disturbed areas will be revegetated where practical to prevent erosion of soils on undisturbed sites.

1988
RAPTOR SURVEY
AND
MONITORING REPORT



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

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

September 28, 1988

Mr. Dan Guy, Manager
Permitting and Compliance
Beaver Creek Coal Company
P. O. Box 1378
Price, Utah 84501

Dear Mr. Guy:

RE: Final Approval, Request to Suspend Annual Raptor
Surveys, Beaver Creek Coal Company, Gordon Creek No. 2
and 7 Mine, ACT/007/016, Folder No. 3, Carbon County,
Utah

The Division hereby approves the above-noted amendment received August 31, 1988. The plans were reviewed by Brent Stettler, Reclamation Biologist, of the Division's technical staff.

If you have any questions, please call Brent Stettler or me. Thank you for your cooperation in this matter.

Sincerely,

John J. Whitehead
Permit Supervisor/
Reclamation Hydrologist

djh
Attachment(s)
cc: R. Hagen
B. Malencik
B. Stettler
WP+15/21

BEAVER CREEK Coal Company

Post Office Box 1378
Price, Utah 84501
Telephone 801 637-5050



August 25, 1988

Mr. Lowell P. Braxton
Administrator
Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Mr. John Whitehead

RE: Request to Suspend Annual
Raptor Surveys
Gordon Creek No.2 and 7 Mine
ACT/007/016; #6
Carbon County, Utah

Dear Mr. Braxton:

In response to Mr. Whitehead's letter of July 13, 1988, Beaver Creek Coal Company is requesting the Division's approval to suspend annual raptor surveys for the above referred permit. Revised pages for the permit are enclosed as requested.

If you need any further information, please let me know.

Respectfully,

Dan W. Guy
Manager Permitting/Compliance

cc Johnny Coffey
File

3.4.6.3 Fish and Wildlife Monitoring

Beaver Creek Coal Company will conduct a wildlife monitoring program throughout the operational life of the Gordon Creek No. 2 and No. 7 Mines. The monitoring program will utilize the services of an environmental specialist and, as necessary, professional consultants to evaluate the on-going success of operational mitigation measures. It will also ensure that sensitive or critical use areas remain undisturbed by future activities, deal with any unforeseen difficulties which might arise and participate in reclamation efforts upon completion of the project. Any threatened or endangered species observed during this monitoring will be reported to the Utah Division of Oil, Gas and Mining and the Utah Division of Mining.

Two aspects of the monitoring program have already been initiated by Beaver Creek Coal Company: (a) monthly inspections of specific stations along Gordon Creek to monitor sediment load, (b) routine reporting by selected personnel of any road kills along the access corridor.

3.4.7 Protection of Air Quality

3.4.7.1 Projected Impacts of Mining Operations on Air Quality

Regional impacts from Gordon Creek mining operations on air quality are expected to be minimal due to the rapid fallout of particles with distance from the source. Particulate matter is the only air pollutant that has the potential to degrade air quality. The particulate matter is predominantly fugitive dust. Increases in concentrations of other pollutants such as sulfur dioxide,

Mining and Reclamation Plan
Gordon Creek No. 2 and No. 7 Mines

10.7 Fish and Wildlife Monitoring

Beaver Creek Coal Company will conduct wildlife monitoring throughout the operational life of the Gordon Creek No. 2 and No. 7 Mines. The monitoring will utilize the services of full-time environmental specialist and, as necessary, professional consultants to evaluate the on-going success of operational mitigation measures, ensure that threatened or endangered species and sensitive or critical use areas remain undisturbed by future activities, deal with unforeseen difficulties which might arise, and participate in reclamation efforts upon completion of the project.

Two aspects of the monitoring program have already been initiated by Beaver Creek Coal Company: (1) monthly observations of specific stations along Bryner Canyon to monitor sediment load; (2) routine reporting by selected personnel of any road kills along the access corridor. Additional monitoring on Beaver Creek to assess impacts of second mining are discussed in Appendix 6 of this MRP.

In addition to the above, wildlife use of the Elk crossing for the conveyor/access road was to be monitored to attempt to gain additional information concerning frequency of use, as well as impacts on migration. This program has been cancelled due to unavailability of equipment. Approved by Division on 1/9/87.

Mining and Reclamation Plan
Gordon Creek No. 2 and No. 7 Mines

10.8 Bibliography

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