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File ACT/007/016 #2



CERTIFIED MAIL

July 8, 1991

Dr. Dianne R. Nielson
Director
Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
S.L.C., Utah 84180-1203

Re: Request for Extension
Division Order DO-91A
Gordon Creek No. 2/7/8 Mines
ACT/007/016-DO91A; #3
Carbon County, Utah

Dear Dr. Nielson:

Mountain Coal Co. is herein requesting a 120-day extension of time in which to comply with the conditions of the Division Order DO-91A pertaining to the Gordon Creek No. 2/7/8 Mine reclamation plan.

This order raises numerous issues which cannot be resolved in the short time-frame allowed. Each of these issues, along with an explanation, are listed below:

- (1) Permit Approval - These mines were approved and operated under both interim and previous permanent program regulations. The present plan was originally approved on 8/27/84, re-approved on 10/11/88 and renewed on 8/28/89. Each of these approvals contained specific maps, designs and justifications for highwall retention at the No. 2, 7 and 8 Mines. To retroactively apply the new R614 regulations to these plans and demand that the No. 7 and 8 highwalls be completely removed and the No. 2 highwall be re-justified, raises serious concerns both from a practical and a legal standpoint. The mines were constructed according to the approved plans, which contained highwall retention, and no allowance was made to go beyond the planned point of highwall restoration. In fact, there is a serious question as to whether the No. 7 Mine highwall could even be restored to a stable configuration given the existing nature of construction. This is an issue that must be resolved before any plans can be resubmitted or re-approved.

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- (2) Reclamation Costs / Schedule - The budget for our mine reclamation is accrued over a period of time during production. The amount of money accrued for reclamation is based on the bond and projected reclamation costs according to the approved plan. We also develop a reclamation schedule which is based on our final closing of the mine. Since we finished mining in November, 1990, and since this closing was anticipated well in advance, both the budgetary and reclamation time-frame concerns were established at that time. On 4/15/90, we received a letter from the Division telling us we could proceed only with the demolition portion of the reclamation, and not to do any earthwork until possible deficiencies were resolved. We then received the Division Order on 6/11/91 requesting a major change in the earthwork portion of the plan. Since the earthwork cost is also the major part of the reclamation cost, actual reclamation costs will be considerably higher than the original budget. This additional money is not available on this year's budget.

We are also rapidly approaching the time to start contracting for the earthwork, and a major change in the plan at this point will certainly prevent us from performing the earthwork during this construction season. The end result is that we will proceed with the demolition as approved; however, due to time and monetary constraints, the earthwork and reseedling will be postponed until the 1992 construction season.

- (3) Landowner Request - I met with the landowners, Calvin and Mark Jacob at the minesite on June 11, 1991, at their request, to discuss the reclamation plans. At this meeting, it became obvious that even the previously approved plan didn't meet their expectations. They would prefer that roads, pads and ponds be left in place, at least to the No. 7 Mine portal area. I explained that the Division Order to remove the No. 7 and 8 highwalls would not only require removing the pad areas, but all roads as well. Their preference is to have this area reclaimed in a manner similar to the No. 3/6 Mine areas. They own the surface at both areas, and they intend to utilize each of the areas for access and staging of their sheep operations. I have subsequently revised a post-mining topo map to show their preferred configuration for the site. This map, along with a letter from Mr. Calvin Jacob, is enclosed for your consideration. I should point out that Mountain Coal Co. has no objection to modifying the plan to accommodate the landowner's request. This was done at the Gordon Creek No. 3/6

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Mines, and we have found that costs were comparable to the original plan, and that the reclamation has been well accepted by the agencies as well as the landowner. We, therefore, support the landowner's request and are willing to modify the plan accordingly, upon your approval.

- (4) Highwall Stability - The final issue I feel is worthy of consideration under the Division Order is that of stability. We have gone to great lengths in the approved plan to show that highwalls, road cuts and fills are safe and stable. The plan also contains numerous justifications for retaining specific highwalls. One of the more important justifications is that the highwalls are stable - another is that they are compatible with the environment. The highwalls were constructed at No. 2 mine without regard for reclamation; however, the No. 7 and 8 highwalls were constructed with partial removal in mind. Upon closer examination, I feel the entire No. 8 Mine highwall could be removed and restored to a stable configuration, if required. The No. 7 Mine highwall is much higher, and contains numerous rock outcrops and a fault with a seep. If removed soil material could even be compacted back against such a surface, an artificial "slip-plane" would be created, making the area very unstable and prone to a possible massive failure. The area is naturally very steep, and a large landslide has occurred in the natural ground just below the No. 7 Minesite - this occurrence was prior to any construction or mining activities in the area. The canyon is also very narrow at the No. 7 Portal location, and to restore the entire highwall to a stable configuration would require a much gentler slope than the original natural slope. This would completely cover the canyon bottom and preclude the re-establishment of the required main canyon drainage. The only conceivable way to restore the entire highwall to a reasonably stable condition is to use reinforced earth or similar experimental techniques. These are marginal solutions at best, and even if they work, the end result would be an extremely steep, restored surface - we would simply be replacing a stable, steep highwall with a questionably stable, slightly less steep highwall. The existing

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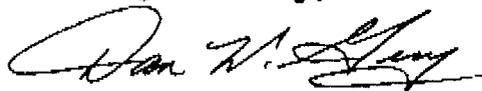
highwall is stable, and it seems counter-productive to lessen that stability for the sake of simply trying to cover it up.

A similar argument could be presented for the No. 2 Mine highwalls; however, in this case there simply isn't enough available material to even restore the highwalls, as evidenced by the cross sections and cut/fill volumes in the approved plan. During original construction, highwall material was dozed into the narrow, deep canyon, making it infeasible to totally recover. It should be noted that similar initial construction techniques were used at the Swisher No. 1 Mine just down the canyon from the No. 2 Mine. AML has reclaimed the No. 1 site, leaving the pad and highwall similar to that which is approved in our plan.

I apologize for the length of this letter; however, the Division Order has created some extremely difficult issues which needed to be explained. As is evident, Mountain Coal Co. is caught in the middle of completely opposite demands from the Division and the landowner. It is our hope you will approve the requested time extension and allow us to work with you and the landowner to resolve this situation to everyone's satisfaction.

Thank you for your consideration. If you have any questions, or need any further information, please let me know.

Respectfully,



Dan W. Guy
Mgr. Permitting/Compliance

cc: Scott Jones
Dana Echter
Dave Arnolds
Andy Gaudielle
Dick Pick
File