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Scot W. Anderson
Attorney

July 9, 1992

Pamela Grubaugh-Littig
Permit Supervisor
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

RE: NOV No. N92-20-1-1

Dear Ms. Grubaugh-Littig:

The Utah Division of Oil, Gas and Mining recently issued the above-referenced Notice of Violation ("NOV") to Mountain Coal Company. The NOV concerns the reclamation plan for the Gordon Creek Nos. 2, 7 and 8 Mines. As you know, Mountain Coal believes that it has not violated any Utah regulation or condition of its permit, and that the issuance of the NOV was improper. As you are also aware, Mountain Coal disagrees with the Division's assessment of Mountain Coal's right to retain highwalls at the Gordon Creek Mines.

Mountain Coal has no legal obligation to remove the highwalls at the Gordon Creek Mines. Nonetheless, Mountain Coal recognizes the significance of the Division's goals and the benefits of working together to accomplish those goals. Mountain Coal therefore offers the following proposal as a basis for settlement of the NOV:

1. Mountain Coal Company will eliminate the highwall at Gordon Creek No. 8 Mine.
2. Mountain Coal Company will reclaim the highwall at the Gordon Creek No. 7 Mine to the extent described in Mountain Coal Company's April 28, 1992 Response to Division Order DO-91A.
3. Mountain Coal Company will eliminate the highwall at the Gordon Creek No. 2 Mine to the extent described in the attached exhibit. The reclamation of the No. 2 Mine highwall will be limited by the stability of soils used for that reclamation. The stability analysis of the No. 2 Mine

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highwall will be derived from the stability analysis previously performed on the No. 7 Mine highwall.

4. Mountain Coal will, with the assistance of the Division, revise its Reclamation Plan for the Gordon Creek Mines as necessary to achieve consistency with Division Rules effective April 12, 1992. To accomplish this Reclamation Plan amendment, Mountain Coal and the Division agree to meet the following schedule:
 - a. Mountain Coal, in consultation with the Division, will begin an immediate review of all changes in regulations that may require a change in the Reclamation Plan.
 - b. The Division will review the Gordon Creek Reclamation Plan and provide all required or suggested changes to Mountain Coal no later than October 15, 1992. Mountain Coal will confer with the Division to resolve any uncertainties regarding the changes suggested by the Division.
 - c. Mountain Coal will submit a revised Reclamation Plan addressing the changes proposed by the Division and incorporating paragraphs 1, 2 and 3 above to the Division by February 28, 1993.
 - d. If the Division objects to any aspect of the revised Reclamation Plan, those objections shall be negotiated with Mountain Coal prior to May 15, 1993.
 - e. The Division will approve the revised Gordon Creek Reclamation Plan no later than May 15, 1993.
 - f. Mountain Coal will begin reclamation of the Gordon Creek Mines in the summer of 1993.
5. The Division will vacate the NOV upon execution of a settlement agreement containing the provisions set forth above.

By offering to settle the NOV on the terms set forth above, Mountain Coal does not admit to any violation of the Utah Coal Mining and Reclamation Act. Further, the terms set forth above are offered solely to foster a settlement of the NOV and may not be used as evidence in any proceeding challenging the NOV or against Mountain Coal.

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It is our sincere wish to resolve the issues that now divide us. Both the Division and Mountain Coal share a common end: the sound and efficient reclamation of the Gordon Creek Mines. Mountain Coal believes its proposed settlement will achieve that end.

Thank you for your continued attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Scot W. Anderson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Scot W. Anderson

SWA/atc

c: D. Guy
J. Coffey



Date: July 13, 1992

Subject: PROPOSALS FOR GORDON CREEK 2/7/8 MINE RECLAMATION PLAN

From/Location: Dan Guy

To/Location: Scot Anderson/Johnny Coffey

The following is a proposed plan of action for revision of the Gordon No. 2/7/8 Reclamation Plan:

- (1) Eliminate the No.8 Mine highwall as previously shown in our submissions to D.O.G.M.
- (2) Reduce the No.7 Mine highwall based on the stability analysis, as shown in our April 28, 1992 submission to the Division.
- (3) Eliminate the portal highwall areas at the No.2 Mine. I have revised the post-mining topography map and cross-sections to reflect this proposal. This map and cross-section are attached. The reclamation is based on the stability analysis recently done for No.7 Mine; however, they are the same coal seam and are only separated by a short distance, and the highwall and backfill material should be nearly identical for both sites.

I have also revised the Mass Balance for this new proposal a copy is attached. The amount of fill has increased from 125,000 cu. yds. to 188,000 cu. yds, an increase of approximately 63,000 cu. yds. over the amount proposed in our April 28, 1992 submittal to D.O.G.M. This figure includes topsoil and topsoil substitute.

The final topography has been based on the Agipito report using a maximum slope angle of 20° and a maximum height of 45' resulting in a 1.50 factor of safety.

The additional required fill material is assumed available, and since the proposed No.2 reclamation is based on stability, the question on material availability should no longer be an issue.

- (4) Revise the Reclamation Plan for the entire site, reflecting the proposed changes listed above as well as additional , valid comments from the Division. It seems the Division has numerous problems, not only with the new material, but also with the previously approved plan. I would suggest they review the entire plan and provide us with a complete list of deficiencies over the next few months. We can then revise the plan as needed and re-

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Proposals for Gordon Creek 2/7/8 Reclamation Plan

submit to them. If the Division will provide their comments by 10/15/92, we can revise the plan and get it back to them by 2/28/93. This should allow adequate time for them to review the plan and work out any other remaining discrepancies and approve the plan by no later than May 15, 1993. This will allow time for us to obtain contractors and start final reclamation of the site by August 15, 1993.

Mining and Reclamation Plan
Gordon Creek No. 2/7/8 Mines

MASS BALANCE TABLE GORDON CREEK NO. 2/7/8 MINES				
* CROSS-SECTION STATION	CUT VOLUME (CU. YDS.)	FILL VOLUME (CU. YDS.)	CUT (ACCUM) (CU. YDS.)	FILL (ACCUM.) (CU. YDS.)
0+00	0	1049	0	1049
2+00	1541	28,030	1541	29,079
4+00	4444	21,630	5985	50,709
6+00	19,793	1956	25,778	52,665
8+00	21,630	3615	47,408	56,280
10+00	5333	4148	52,741	60,428
12+00	2193	2785	54,934	63,213
14+00	1896	1778	56,830	64,991
16+00	1363	2074	58,193	67,065
18+00	2193	20,741	60,386	87,806
20+00	3852	28,148	64,238	115,954
22+00	4741	19,556	68,979	135,510
24+00	7407	19,259	76,386	154,769
26+00	20,148	9778	96,534	164,547
28+00	17,778	7289	114,312	171,836
30+00	9007	5926	123,319	117,762
Sub-Total	123,319	117,762	123,319	117,762
Lower Road	16,297	10,100	16,297	10,100
Sub-Total	139,616	125,555	139,616	187,862
Plus 7/8 Topsoil	+14,451	0 (Included in fill)	+14,451	0
Plus #2 Topsoil Sub.	+14,842	0 (Included in fill)	+14,842	0
Grand Total	168,909	187,862	168,909	187,862

*Taken from Plates 3-8A, 3-8B and 3-8C.

Note: Cut volume of 168,909 x 1.15 expansion factor for fill = 194,245 cu. yds.

7/8/92

3-84A

3.5.5 Revegetation Plan