

NON-FEDERAL

PERMIT
ACT/007/017

September 12, 1991

**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/007/017, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Mountain Coal Company
P.O. Box 1378
Price, Utah 84501
(801) 637-5050**

for the Gordon Creek #3 and #6 Mine. A Surety Bond is filed with the Division in the amount of \$138,400, payable to the State of Utah, Division of Oil, Gas and Mining. The Division 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 within the permit area at the Gordon Creek #3 and #6 Mine, situated in the state of Utah, Carbon County, and located:

Township 13 South, Range 8 East, SLBM

Section 8: SE1/4 SE1/4
 Section 9: S1/2 SW1/4, SW1/4 SE1/4
 Section 16: SE1/4 NW1/4, SW1/4 NE1/4, N1/2 NW1/4, SW1/4, SW1/4 NW1/4, Portions of SW1/4 SE1/4, Portions of NW1/4 SE1/4
 Section 17: NE1/4 NE1/4, SE1/4 NE1/4, NE1/4 SE1/4
 Section 21: Portions of W1/2 NE1/4, Portions of SE1/4 NW1/4

This legal description is for the permit area of the Gordon Creek #3 and #6 Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 PERMIT TERM - The permit expired on September 12, 1991 when CO #C91-20-1-1 was issued. The permit will be renewed November 11, 1991 and expire on September 12, 1996.

Sec. 5 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. 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 R614-303-300.

Sec. 6 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), 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, R614-400-220, 30 CFR 842.13 and R614-400-110;

(b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R614-400-100 and R614-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

Sec. 7 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 approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - 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 the 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. 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 the Division 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 EXISTING STRUCTURES - As applicable, the permittee will comply with R614-301 and R614-302 for compliance, modification, or abandonment of existing structures.

Sec. 11 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 12 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. 13 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. 14 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. 15 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 the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

Sec. 16 APPEALS - The permittee shall have the right to appeal as provided for under R614-300-200.

The above conditions (Secs. 1-16) 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 the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: 

Date: 9-12-91

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


**Authorized Representative of
the Permittee**

Date: 10/15/91



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 19, 1991

Mr. Dan Guy, Manager
Mountain Coal Company
P.O. Box 1378
Price, Utah 84501

Dear  Mr. Guy:

Re: Permit Transfer Approvals, Mountain Coal Company, Gordon Creek #2, #7, & #8 Mine ACT/007/016, Gordon Creek #3 & #6 Mine ACT/007/017, C.V. Spur Mine ACT/007/022, Huntington #4 Mine ACT/015/004, Trail Mountain #9 Mine AC/015/009, Folder #3, Carbon and Emery Counties, Utah

Mountain Coal Company has met all of the requirements in accordance with R614-303-300 of the Utah Coal Program, including the 510(c) clearance. The transfer of the permits for all of the noted mines from Beaver Creek Coal Company to Mountain Coal Company is hereby approved.

Enclosed are two copies of each of the permanent program permits that incorporate the change in the permittee's name. Please sign both copies of each permit and return one copy of each to the Division.

Thank you for your continued cooperation.

Best regards,



Dianne R. Nielson
Director

PGL/jbe

Enclosures

cc: R. Hagen, OSMRE
L. Braxton, DOGM
P. Grubaugh-Littig, DOGM

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an equal opportunity employer

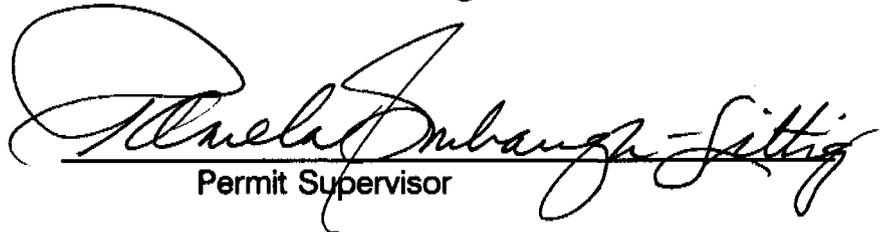
FINDINGS
Permit Transfer
Gordon Creek #3 & #6
ACT/007/017
Successor: Mountain Coal Company

1. All procedures for public participation required by the Act, and the approved Utah State Program have been complied with (R614-300-120).
2. The permit application is accurate and complete and all requirements of the Surface Mining Control and Reclamation Act (the "Act"), and the approved Utah State Program have been complied with (R614-300-133.100).
3. The proposed permit area is:
 - (a) Not within an area under study for designated lands unsuitable for underground coal mining operations (R614-300-133.210);
 - (b) not included within an area designated unsuitable for underground coal mining operations (R614-300-133.220); and
 - (c) not on any lands subject to the prohibitions or limitations of 30 CFR 761.11{a} (national parks, etc.), 761.11{f} (public buildings, etc.) and 761.11{g} (cemeteries).
4. The Division has made an assessment of the probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance in the cumulative impact area and has determined that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area. The permit application has been designed to prevent damage to the hydrologic balance in the proposed permit area (R614-300-133.400 and UCA 40-10-11{2}(c)).
5. The operation would not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habitats as determined under the Endangered Species Act of 1973 (16 U.S.C. 1531 et.seq.) (R614-300-133.500).
6. The Division's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800) and (R614-300-133.600).
7. The successor has demonstrated that reclamation as required by the State Program can be accomplished according to information given in the permit application.
8. The successor has demonstrated that any existing structure will comply with the applicable performance standards of R614-301 and R614-302. (R614-300-133.720)

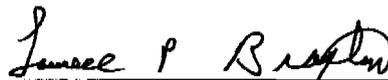
9. The successor has paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870. A 510{c} report has been run on the Applicant Violator System (AVS), which shows that: prior violations of applicable laws and regulations have been corrected; Mountain Coal Company is not delinquent in payment of fees for the Abandoned Mine Reclamation Fund; and the successor does not control and has not controlled mining operations with a demonstrated pattern of wilful violations of the Act of such nature, duration, and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of the Act [R614-300-132 (OSMRE Relatedness Report dated July 9, 1991)].

10. The successor has satisfied the applicable requirements of R614-302.

11. The successor has filed a reclamation performance bond in the amount of \$138,400 made payable to the Division of Oil, Gas and Mining.



Permit Supervisor



Associate Director, Mining



Director