

NS orig mine file
cc Sheiner
RET/007/018



United States Department of the Interior
OFFICE OF SURFACE MINING
Reclamation and Enforcement
BROOKS TOWERS
1020 15TH STREET
DENVER, COLORADO 80202

RECEIVED
MAY 14 1986

CERTIFIED MAIL: RETURN RECEIPT REQUESTED

12 MAY 1986

Mr. Charles Durrett
Sunedco Coal Company
7401 W. Mansfield Avenue - Suite 418
P. O. Box 35B
Lakewood, Colorado 80235

DIVISION OF
OIL, GAS & MINING

Dear Mr. Durrett:

I have approved the transfer of ownership of those rights previously granted Sunedco Coal Company by Federal permit UT-0023 to conduct surface coal mining and reclamation operations at the Soldier Canyon mine, Carbon County, Utah, to Soldier Creek Coal Company. Enclosed is a copy of the Documentation of Permit Transfer Decision.

Also enclosed is a copy of the newspaper notice we are sending to the Sun Advocate in Price, Utah, to be published as soon as possible. When published, this notice will constitute official notification of our action. Within 30 days from the date that notice is published, you or any person with an interest which is or may be adversely affected by this decision may request a hearing on the reasons for the transfer decision.

If you have any questions, please feel free to call either Rick Lawton or Richard Holbrook at (303) 844-2451.

Sincerely,

Allen D. Klein
Administrator
Western Technical Center

Enclosure

cc: Ken Rhea
Moab district Office, BLM
✓ Dr. Dianne Nielson
Utah Division of Oil, Gas & Mining

Jackson Moffitt
Utah State Office, BLM

Robert Hagen
Albuquerque Field Office
Office of Surface Mining Reclamation and Enforcement

FILE COPY

DOCUMENTATION OF PERMIT TRANSFER DECISION
FOR
THE SOLDIER CANYON MINE
FEDERAL PERMIT UT-0023

Background

On May 23, 1981, Soldier Creek Coal Company (SCCC) submitted a permanent program permit application and mining and reclamation plan to the Office of Surface Mining Reclamation and Enforcement (OSMRE) and to the Utah Division of Oil, Gas and Mining (DOGM) to continue underground coal mining and reclamation operations at its Soldier Canyon mine in Carbon County, Utah. The application was jointly reviewed by OSMRE and Utah DOGM for compliance with the Utah State program and 30 CFR Chapter VII, Subchapter D, The Federal Lands Program. On June 3, 1985, the Utah DOGM issued a State permit with conditions to SCCC. The Assistant Secretary for Land and Minerals Management approved the mining plan on March 11, 1985. On June 3, 1985, SCCC was notified that Federal permit UT-0023 had been approved.

Sunedco Coal Company (Sunedco) submitted an application to Utah DOGM on August 19, 1985, and to OSMRE on September 16, 1985, for transfer of ownership together with those rights granted to SCCC by the Federal permit UT-0023 to Sunedco for those Federal lands contained within the designated permit area. The permit transfer was approved effective March 24, 1986.

Sunedco, upon transfer of the Soldier Canyon mine permit, organized a new company to operate its Soldier Canyon mine. The new company, a wholly owned subsidiary of Sunedco, uses the name of the old company, Soldier Creek Coal Company, which is no longer in existence.

Application to transfer the permit from Sunedco to the Soldier Creek Coal Company was made to the Utah DOGM on March 26, 1986, and to OSMRE on April 8, 1986. This approval transfers those rights granted to Sunedco by the Federal permit UT-0023 to SCCC for those Federal lands contained within the designated permit area. OSMRE determined that the request would not require a modification to the approval of the mining plan, but that OSMRE needed to approve the transfer of Federal permit rights in accordance with Section 4 of the Soldier Canyon mine Federal permit UT-0023, 30 CFR 740.13(e), and UMC 788.18. The public was notified of the permit transfer application by notice in the weekly Sun-Advocate in Carbon County, Utah on April 23, 1986. No comments were received.

The permit area is located in Carbon County, Utah, approximately 12 miles northeast of Price on lands described as:

T. 13 S., R. 11 E.

Section 12; S1/2, E1/2W1/2

Section 13; NE1/4NW1/4, N1/2NE1/4, SE1/4NE1/4, NE1/4SE1/4

Section 24; portions of SE1/4

Section 25; portions of N1/2NE1/4

T. 13 S., R. 12 E.

Section 7; All

Section 18; N1/2

Section 8; W1/2

Section 17; NW1/4

Section 19; portions of SW1/4.

As shown on the map appended hereto as Attachment A.

A performance bond in the principal amount of \$522,592.00 has been procured by Soldier Creek Coal Company from Federal Insurance Company, and a copy was submitted to Utah DOGM. This is the dollar amount approved in Federal permit UT-0023, and the United States of America and State of Utah are co-obligees.

A request was made to OSMRE Branch of Compliance for a report on Sunedco Coal Company in order to assess the applicant's compliance with Section 510(c) of the Surface Mining Control and Reclamation Act of 1977 (SMCRA). It was reported that Sunedco or affiliated companies were non-respondents for numerous quarters in respect to AML fees; owed past due civil penalties; and had outstanding cessation orders issued in accordance with SMCRA. Communications with Jesse Davis, Acting Supervisory Auditor with the Knoxville Field Office, cleared the applicant of problems with missing AML fee reports. All reported missing reports were for affiliates that showed no production for the missing quarters. No monies were owed. All outstanding cessation orders, civil penalties, and certain violations on appeal were satisfactorily resolved in a January 16, 1986, Settlement Agreement between OSMRE and Sunedco and its affected affiliate. Shamrock Coal Company has several violations that are still being appealed. By approval of the transfer to Sunedco, the permit was conditioned pending the outcome of the appeals as required by UMC 786.17(c)(2) and 30 CFR 773.15(b)(2). The condition remains in the permit being transferred to SCCC from Sunedco.

Findings

On the basis of the information submitted by Soldier Creek Coal Company in compliance with UMC 788.18 and 30 CFR 774.17, I hereby make the following findings:

1. Soldier Creek Coal Company (SCCC) is eligible to receive a permit in accordance with UMC 788.18(c)(1) and 30 CFR 774.17(d)(1);
2. SCCC has, in accordance with UMC 788.18(a)(1) and 30 CFR 774.17(d)(2), submitted a performance bond as required by Subchapter J equivalent to the bond of the original permittee; and

3. SCCC will operate in full compliance with the terms and conditions of the original permit, unless and until it has obtained a new permit in accordance with UMC 788.19 and 30 CFR 774.

Decision

In accordance with Section 4 of Federal permit UT-0023, 30 CFR 740.13(e), and UMC 788.18, I hereby approve the proposed transfer of those rights granted by Federal permit UT-0023 for the Soldier Canyon mine located in Carbon County, Utah, and shown on the attached map, from Sunedco to Soldier Creek Coal Company.

5/12/86
Date



Allen D. Klein, Administrator
Western Technical Center

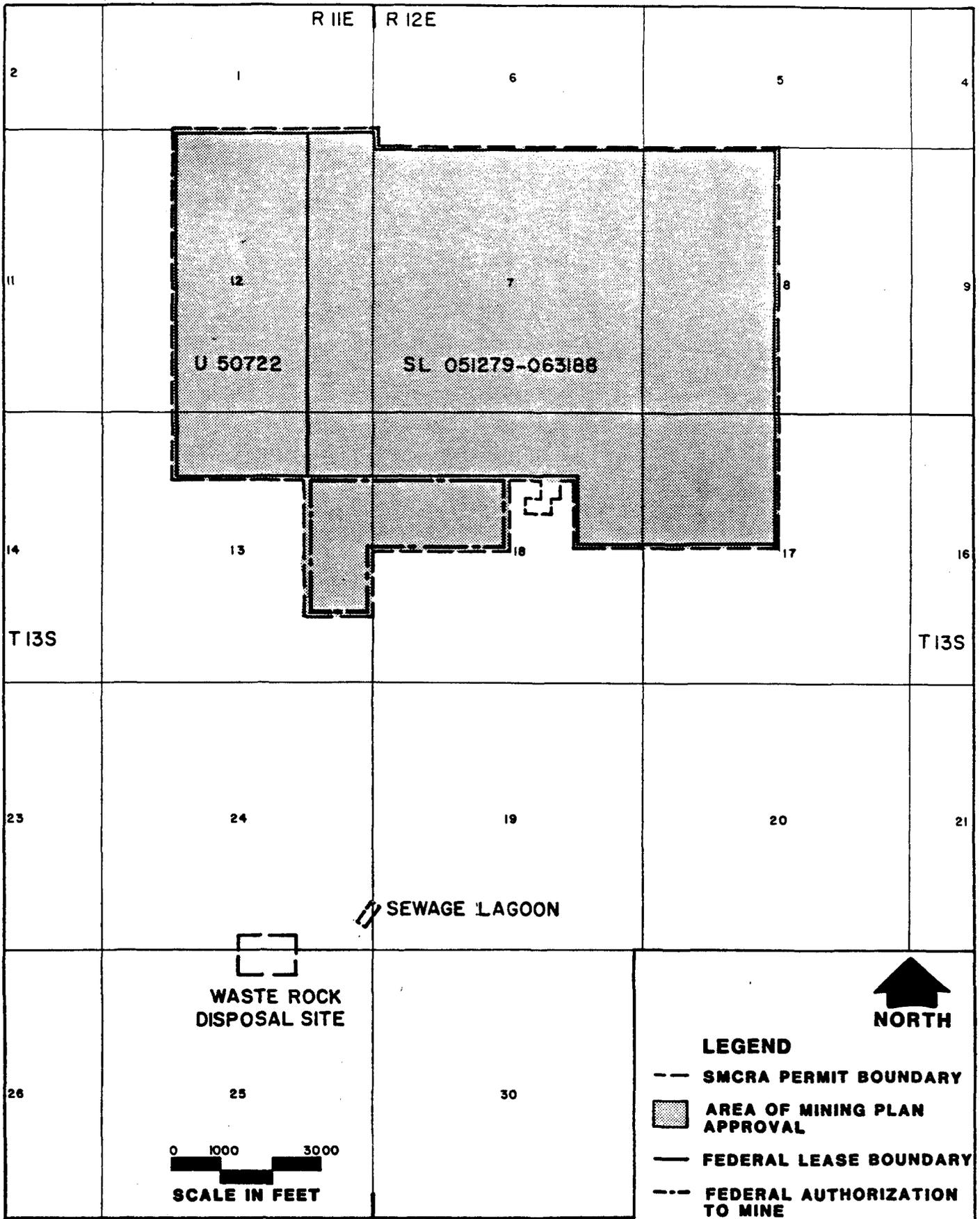


Figure 2
SOLDIER CANYON MINE
 ATTACHMENT A

U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING
RECLAMATION ENFORCEMENT
NOTICE OF DECISION ON PERMIT TRANSFER
SOLDIER CREEK COAL COMPANY

The United States Department of the Interior, Office of Surface Mining Reclamation and Enforcement (OSMRE), has approved the transfer from Sunedco Coal Company to Soldier Creek Coal Company of those right granted under Federal Permit UT-0023 to conduct surface coal mining and reclamation operations at the Soldier Canyon mine, Carbon County, Utah.

Any person with an interest which is or may be adversely affected by this Federal permit transfer may request an adjudicatory hearing on the final decision within 30 days after publication of this notice, in accordance with 30 CFR 775.11(a). 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

A copy of the decision is 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
Albuquerque Field Office
219 Central Avenue NW, Room 216
Albuquerque, New Mexico 87102

Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

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