

Soldier Canyon Mine, Soldier Creek Coal Company
Carbon County, Utah April 1996
UTU-69635

MINING PLAN DECISION DOCUMENT

Soldier Creek Coal Company

Soldier Canyon Mine

Federal Lease UTU-69635

Carbon County, Utah



**U.S. Department of the Interior
Office of Surface Mining Reclamation and Enforcement**

Prepared April 1996



United States Department of the Interior

OFFICE OF SURFACE MINING

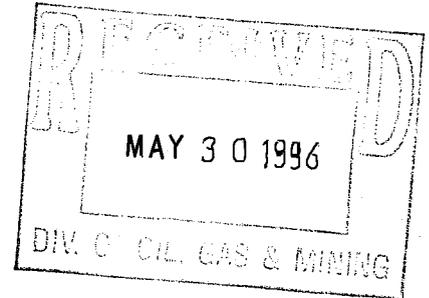
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

IN REPLY REFER TO:

May 14, 1996

UT-0023

Mr. Rick Olsen, President
Soldier Creek Coal Company
P. O. Box 1029
Wellington, UT 84542



Dear Mr. Olsen:

ACT/007/018#3

The Assistant Secretary, Land and Minerals Management, Department of the Interior, approved on May 14, 1996, the Soldier Canyon Mine mining plan for Federal lease UTU-69635. The mining plan approval authorized mining of about 2 million metric (2.2 million short) tons of Federal coal in 111.7 hectares (276 acres) of Federal lease UTU-69635. Approval of this mining plan supplements the Soldier Canyon Mine mining plan for Federal leases SL-051279-063188 and U-50722 approved on March 11, 1985.

Mining operations must be conducted in accordance with both the Utah State permit and the approved mining plan. I have enclosed a copy of the mining plan approval document. Please read the terms and conditions of the mining plan approval document carefully. If you have any questions, please contact me at (303) 672-5597.

Sincerely,

Ranvir Singh
Ranvir Singh, P.E.
Program Support Division

Enclosure

cc: BLM Price River/San Rafael Resource Area
Utah Division of Oil, Gas and Mining

CONTENTS

Soldier Canyon Mine
Federal Lease UTU-69635
Mining Plan Decision Document

1. Memoranda
 - a. Memorandum from the Director to the Assistant Secretary, Land and Minerals Management
 - b. Memorandum from the Regional Director, Western Regional Coordinating Center, through the Deputy Director, to the Director
2. Location Maps
3. Chronology
4. National Environmental Policy Act Compliance Documents
5. Documentation of Consultation, Concurrence and Compliance:
 - a. Bureau of Land Management
 - b. U.S. Fish and Wildlife Service
 - c. State Historic Preservation Office
6. Mining Plan Approval Document
7. Utah Division of Oil, Gas and Mining's decision document

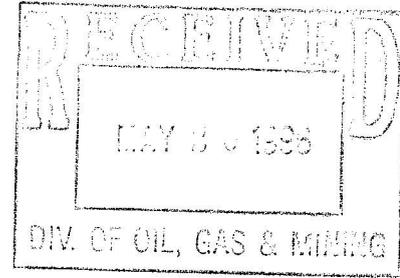


United States Department of the Interior

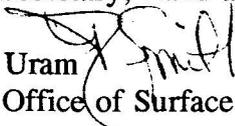
OFFICE OF SURFACE MINING
Reclamation and Enforcement
Washington, D.C. 20240

MAY - 9 1996

MEMORANDUM



To: Assistant Secretary, Land and Minerals Management

From:  **BOB** Robert J. Uram
Director, Office of Surface Mining Reclamation and Enforcement

Subject: Recommendation for Approval of the Soldier Creek Coal Company's Soldier Canyon Mine Mining Plan for Federal Lease UTU-69635, Carbon County, Utah

I recommend approval of the Soldier Creek Coal Company's Soldier Canyon Mine mining plan for Federal lease UTU-69635 pursuant to the Mineral Leasing Act of 1920, as amended. My recommendation to approve the Soldier Canyon Mine mining plan is based on:

- (1) Soldier Creek Coal Company's complete permit application package (PAP),
- (2) compliance with the National Environmental Policy Act of 1969, (3) documentation assuring compliance with applicable requirements of other Federal laws, regulations, and executive orders, (4) comments and recommendations or concurrence of other Federal agencies, (5) the findings and recommendations of the Bureau of Land Management with respect to the resource recovery and protection plan and other requirements of the Federal leases and the Mineral Leasing Act, and (6) the findings and recommendations of the Utah Division of Oil, Gas and Mining with respect to the PAP and the Utah State program.

The Secretary may approve a mining plan for Federal leases under 30 U.S.C. §§ 207(c) and 1273(c). Pursuant to 30 CFR Chapter VII, Subchapter D, I find that the proposed mining plan will be in compliance with all applicable laws and regulations. The decision document for the proposed mining plan action is attached.

Attachment



United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

APR 10 1986

MEMORANDUM

TO: Director

THROUGH: Deputy Director

FROM: *for* Regional Director, Western Regional Coordinating Center *Russell H. Rice, Acting*

SUBJECT: Recommendation for Approval of the Soldier Creek Coal Company's Soldier Canyon Mine Mining Plan for Federal Lease UTU-69635, Carbon County, Utah

I. Recommendation

I recommend approval of the Soldier Canyon Mine mining plan for Federal lease UTU-69635. This mining plan supplements the Soldier Canyon Mine mining plan for Federal leases SL-051279-063188 and U-50722 approved on March 11, 1985. This new underground coal mine being permitted under the Federal lands program, approved Utah State program and cooperative agreement, is adjacent to existing coal mining operations approved in March 1995. My recommendation is based on: (1) Soldier Creek Coal Company's (SCCC) complete permit application package (PAP), (2) compliance with the National Environmental Policy Act of 1969, (3) documentation assuring compliance with applicable requirements of other Federal laws, regulations, and executive orders, (4) comments and recommendations or concurrence of other Federal agencies, (5) the findings and recommendations of the Bureau of Land Management with respect to the resource recovery and protection plan and other requirements of the Federal leases and the Mineral Leasing Act, and (6) the findings and recommendations of the Utah Division of Oil, Gas and Mining with respect to the PAP and the Utah State program.

Approval of this mining plan will authorize mining of approximately 2 million metric (2.2 million short) tons of Federal coal within the approved mining plan area covering 111.7 hectares (276 acres) within Federal lease UTU-69635, as shown on the map included with this decision document. The review of the PAP indicated that SCCC's proposal would not require special conditions to be included in the mining plan approval document to comply with Federal law.

Utah Division of Oil, Gas and Mining (DOGGM) reviewed the PAP under the Utah State program, the Federal lands program (30 CFR Chapter VII, Subchapter D), and the Utah cooperative agreement (30 CFR § 944.30). Pursuant to the Utah State program and the cooperative agreement, Utah DOGM approved the permit amendment application on November 14, 1995.

The Office of Surface Mining Reclamation and Enforcement (OSM) has consulted with other Federal agencies for compliance with the requirements of applicable Federal laws, and their comments and concurrences are included in the decision document. The resource recovery and protection plan was reviewed by the Bureau of Land Management (BLM) for compliance with the Mineral Leasing Act of 1920, as amended, and 43 CFR Part 3480, and BLM recommended approval of the mining plan in a memorandum dated April 10, 1996. The U.S. Fish and Wildlife Service provided its final consultation comments under Section 7 of the Endangered Species Act in a memorandum dated February 15, 1996. Utah State Historic Preservation Office reviewed the permit amendment application and recommended a determination of "no historic properties", in its letter dated October 2, 1995. Based upon independent review, OSM concurs with the State Historic Preservation Officer's (SHPO) assessment and recommendations for protection of cultural resources.

I have determined that the proposed area of mining plan approval is not unsuitable for mining in accordance with section 522(b) of SMCRA.

The permit amendment area is not on any Federal lands within the boundaries of any national forest.

OSM has determined that approval of this mining plan will not have a significant impact on the quality of the human environment. The impacts of approval of this mining plan and alternatives are described in the Environmental Assessment attached to the Finding of No Significant Impact (FONSI) included with the decision document.

The mining plan approval document included in the decision document is in conformance with the Mineral Leasing Act of 1920, as amended, and applicable Federal regulations. I recommend that you advise the Assistant Secretary, Land and Minerals Management, under 30 CFR Part 746, that the SCCC's Soldier Canyon Mine mining plan for Federal lease UTU-69635 is ready for approval.

II. Background

The Soldier Canyon underground coal mine is located in Carbon County, Utah, 12 miles northeast of Price, Utah. The mine has been in operation since 1976. About 13 hectares (32.2 acres) have been affected by surface disturbance

to date. Including the 111.7 hectares (276 acres) permit revision area, the total permitted area of the Soldier Canyon Mine will contain about 1,986 hectares (4,905 acres). Mining is expected to continue for 40 years under Utah Permit No. ACT/007/018-95B and the approved mining plan.

The original mining plan for the Soldier Canyon Mine was approved under the Federal lands program on March 11, 1985, for Federal leases SL-051279-063188 and U-50722. Since that approval there have been no other mining plan actions for the Soldier Canyon Mine.

The underground mining operations will utilize room and pillar mining methods. The Rock Canyon and Gilson coal seams will be mined at an average production rate of about 544,200 metric (600,000 short) tons per year. Additional 2.3 hectares (5.6 acres) of surface disturbance will result from this action.

A chronology of events related to the processing of the PAP is included with the decision document. The information in the PAP, as well as other information identified in the decision document, has been reviewed by Utah DOGM staff in coordination with the OSM Project Leader.

During the review of the PAP, no major issues were identified.

The permit application for increase in acreage has been processed by DOGM as an incidental boundary change. Under the Utah State program a permit change due to an incidental boundary change is considered a permit amendment, and not a significant permit revision. Therefore, no public notice was required as a part of State permitting process.

Utah DOGM determined that a bond in the amount of \$3,238,000 is adequate for the Utah Permit No. ACT/007/018-95B associated with this mining plan action. The bond is payable to the State and the United States.

The PAP submitted by SCCC and updated through November 10, 1995, Utah DOGM's State decision document provided to OSM under the cooperative agreement, the Environmental Assessment and FONSI of the proposed action and alternatives prepared by OSM, other documents prepared by Utah DOGM, and correspondence developed during the review of the PAP are part of OSM's administrative record.

Attachments

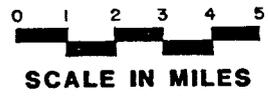
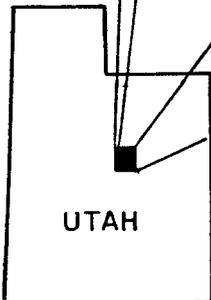
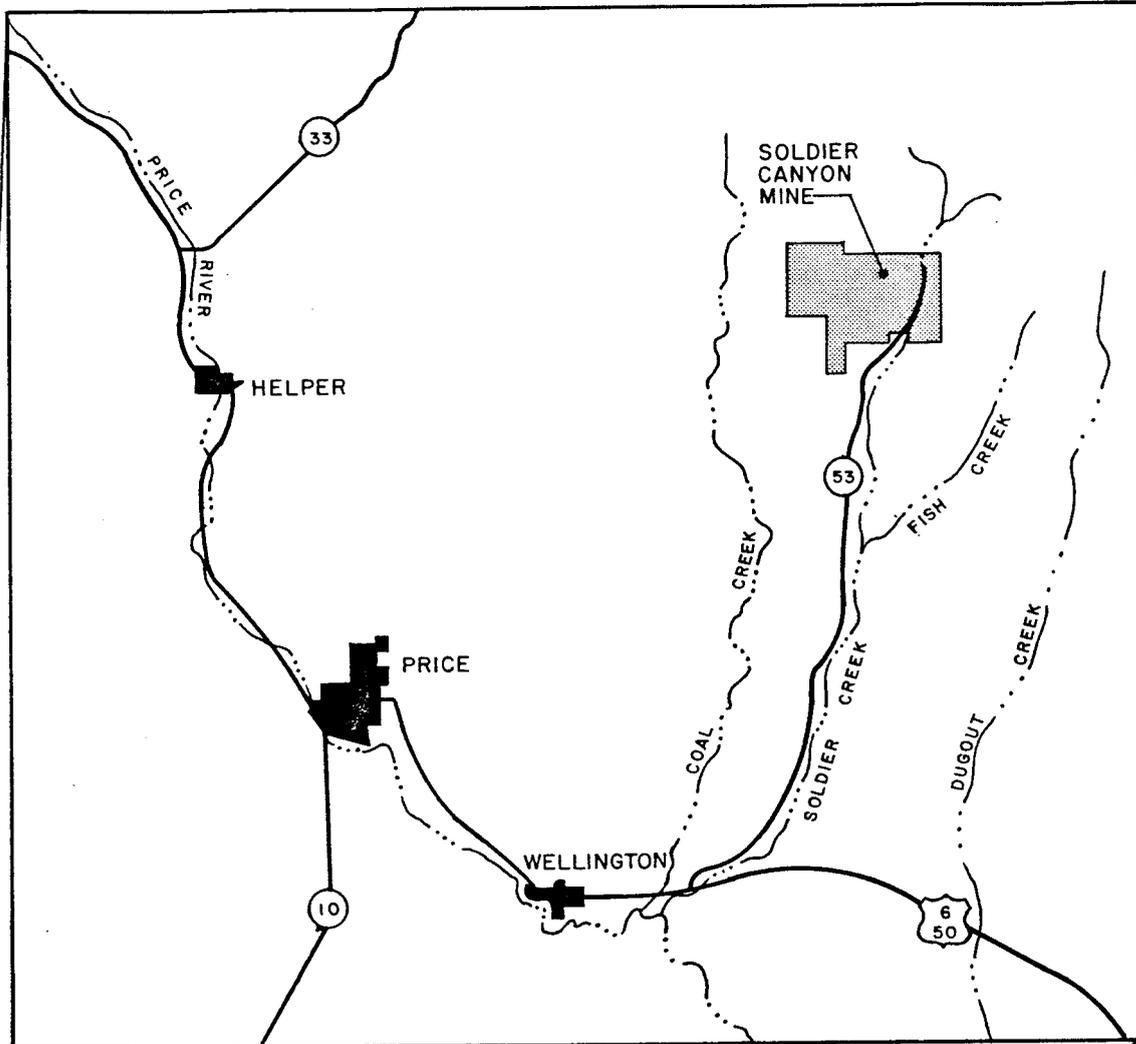
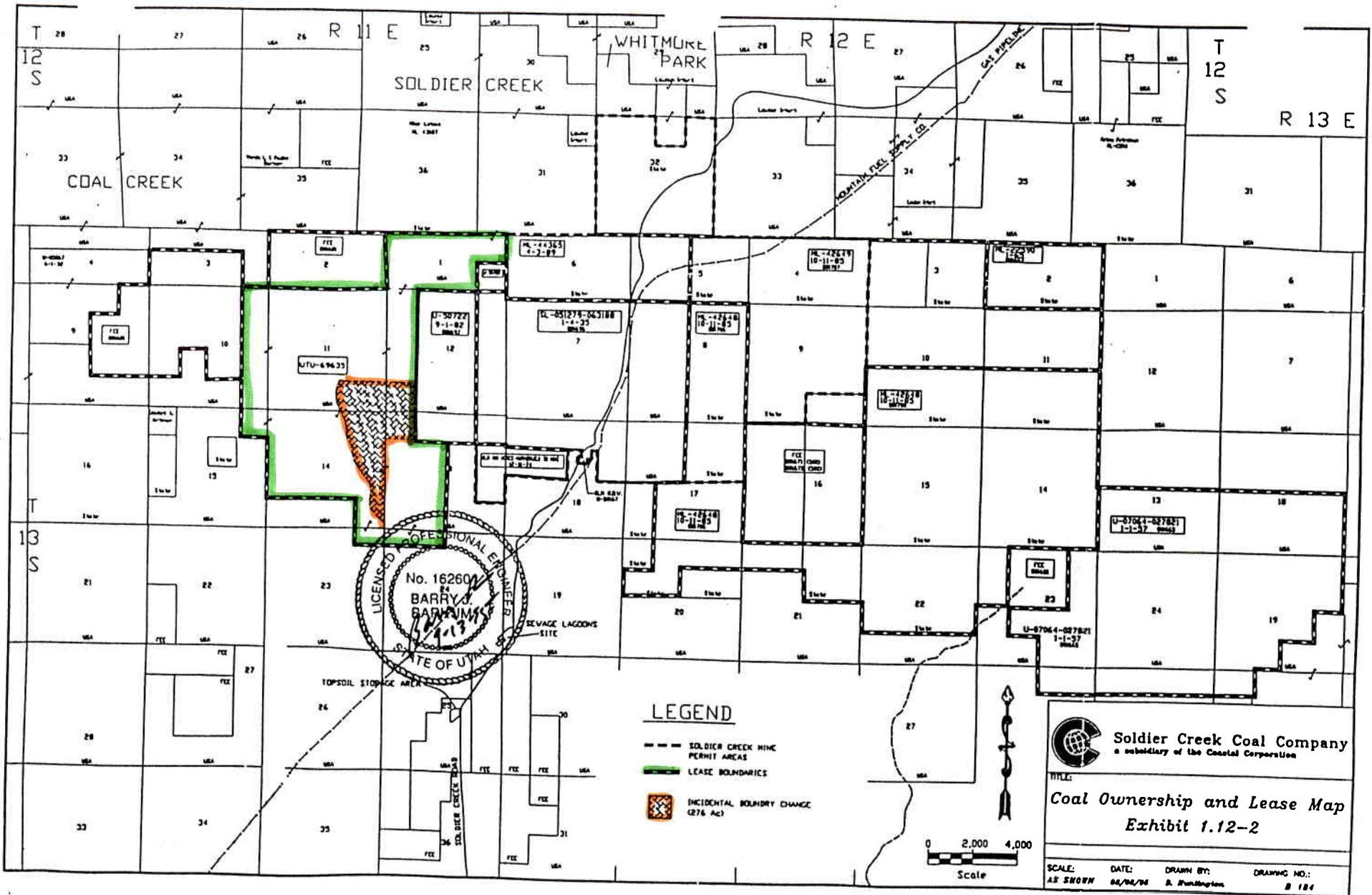


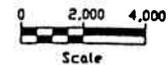
Figure 1
AREA MAP
SOLDIER CANYON MINE



LICENSED PROFESSIONAL ENGINEER
 No. 16260
 BARRY J. BARRIMUS
 5/21/13
 STATE OF UTAH

LEGEND

- SOLDIER CREEK MINE PERMIT AREAS
- LEASE BOUNDARIES
- INCIDENTAL BOUNDARY CHANGE (276 Ac)



Soldier Creek Coal Company
 a subsidiary of the Coastal Corporation

TITLE:
Coal Ownership and Lease Map
Exhibit 1.12-2

SCALE: AS SHOWN DATE: 06/04/04 DRAWN BY: B. Huntington DRAWING NO.: B 184

CHRONOLOGY

Soldier Canyon Mine Federal Lease UTU-69635 Mining Plan Decision Document

| <u>DATE</u> | <u>EVENT</u> |
|--------------------|--|
| September 14, 1995 | Soldier Creek Coal Company (SCCC) submitted the permit application package (PAP) under the approved Utah State Program to the Utah Division of Oil, Gas and Mining (DOGGM) for a permit amendment for the Soldier Canyon Mine. |
| September 28, 1995 | The Office of Surface Mining Reclamation and Enforcement (OSM) received the PAP. |
| October 02, 1995 | The State Historic Preservation Office provided its comments on the mining plan. |
| November 14, 1995 | Utah DOGM approved the PAP. |
| November 22, 1995 | OSM received Utah DOGM's final State decision document. |
| February 15, 1996 | The U.S. Fish and Wildlife Service provided its final consultation comments on the mining plan. |
| April 10, 1996 | The Bureau of Land Management provided its findings and recommendations on the approval of the mining plan. |
| April 1996 | OSM's Western Regional Coordinating Center recommended that the mining plan be approved. |

U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT
FINDING OF NO SIGNIFICANT IMPACT
FOR
Soldier Canyon Mine
Federal Lease UTU-69635
Mining Plan Decision Document

A. Introduction

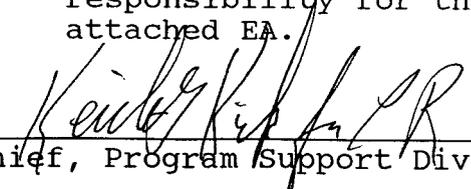
Soldier Creek Coal Company submitted a permit application package (PAP) for a permit amendment for the Soldier Canyon Mine to the Utah Division of Oil, Gas and Mining (DOG M) under the Utah State program (30 CFR Part 944.30). Under the Utah State program a permit amendment also includes an incidental boundary change. The PAP proposes extending underground mining operations into about 111.7 hectares (276 acres) of Federal lease UTU-69635. The proposed mining plan would cause about 2.3 hectares (5.6 acres) of new surface disturbance (excluding mining-induced subsidence).

Under the Mineral Leasing Act of 1920, the Assistant Secretary, Land and Minerals Management, must approve, approve with conditions, or disapprove the mining plan for Federal lease UTU-69635. Pursuant to 30 CFR Part 746, the Office of Surface Mining Reclamation and Enforcement (OSM) is recommending approval of this mining plan.

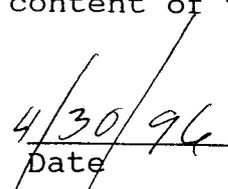
B. Statement of Environmental Significance of the Proposed Action

The undersigned person has determined that the above-named proposed action would not have a significant impact on the quality of the human environment under section 102(2)(C) of the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. §§ 4332(2)(C), and therefore, an environmental impact statement is not required.

This finding of no significant impact is based on the attached environmental assessment (EA) jointly prepared by the Bureau of Land Management and OSM. The EA addresses the environmental impacts resulting from the issuance of Federal lease UTU-69635 and approval of the mining plan. OSM independently evaluated the EA as of the date specified below and determined that it adequately and accurately assesses the environmental impacts of the proposed action and provides sufficient evidence and analysis for this finding of no significant impact. OSM takes full responsibility for the accuracy, scope, and content of the attached EA.



Chief, Program Support Division



Date

ENVIRONMENTAL ASSESSMENT

EA # UT-066-95-6

PRICE RIVER RESOURCE AREA

FILE # 3425

PROPOSED ACTION TITLE/TYPE: Coal Lease Application, Alkali Creek Tract,
UTU-69635

APPLICANT: Original - Sage Point Coal Co.
Present Interest - Coastal States Energy Company

AGENCIES INVOLVED: Bureau of Land Management (BLM) and Office of Surface
Mining(OSM)

March 1995

I. ENVIRONMENTAL ASSESSMENT/CATEGORICAL EXCLUSION DETERMINATION:

Under 516 DM 2.3 A(3), mineral lease applications are not listed under actions that could be categorically excluded from environmental assessments (EA) or environmental impact statement preparation. An environmental assessment is necessary to evaluate this proposal.

II. CONFORMANCE WITH LAND USE PLAN:

This proposed action is subject to the Price River Resource Management Framework Plan (MFP) as amended. This plan has been reviewed to determine if the proposed action conforms with the Land Use Plan (LUP) terms and conditions as required by 43 CFR 1610.5. This action has been found to be in conformance with the MFP Category 1- Open to leasing with standard and special stipulations. The Unsuitability Criteria for Coal Mining has been applied in the Land Use Planning process and may receive further application in the process of reviewing and approving the Mining Plan.

III. INTRODUCTION:

A. Purpose and Need:

Sage Point Coal Company applied on May 22, 1992, for a Federal coal lease adjacent to their Soldier Canyon Mine property located within the Book Cliffs Known Recoverable Coal Area and within the Price River Resource Area (PRRA). Coastal States Energy acquired the Soldier Canyon Mine and interest in the lease application in 1994 and has indicated an immediate need for processing the application to meet future mining needs. The coal resource mineral estate is reserved to the United States and the surface estate is held in private except for certain of the south areas described later in the document.

B. Authorizing Action:

BLM, with the assistance of the Regional Coal Team has determined that processing the coal lease application will be in the public interest. Processing and evaluation will be under the following authorities: Mineral Leasing Act of 1920, as amended (MLA); Federal Coal Leasing Amendments Act of 1976 (FCLAA); Federal Land Policy and Management Act of 1976 (FLPMA); Surface Mining Control and Reclamation Act of 1977 (SMCRA); National Environmental Policy Act of 1969 (NEPA); and Federal Regulations at 43 CFR 3425.

The BLM, in response to the application, is responsible for the following actions:

- 1) Preliminary evaluation of the application to determine if it meets the criteria for lease by application.
- 2) Notification to the Governor of the State of Utah of the application.
- 3) Preparation of the environmental documentation needed to comply with NEPA, determination of fair market value, and the tract delineation review report.
- 4) And, if appropriate, preparation for and holding of the lease sale and issuance of a lease for the mining of coal resources from the public lands involved.

The Office of Surface Mining has jurisdiction over any mining plan application that may result from BLM's leasing decision (see discussion below). As a result, OSM is participating in the preparation of this EA as a formal cooperating Agency (40 CFR 1501.6).

SMCRA gives OSM primary responsibility to administer programs that regulate surface coal mining operations and the surface effects of underground coal mining operations. In January 1981, pursuant to Section 503 of SMCRA, the Utah Division of Oil, Gas and Mining (DOGM) developed, and the Secretary of the Interior approved, a permanent program authorizing Utah DOGM to regulate surface coal mining operations and surface effects of underground coal mining on non-federal lands within the State of Utah. In March 1987, pursuant to Section 523(c) of SMCRA, Utah DOGM entered into a cooperative agreement with the Secretary of the Interior authorizing Utah DOGM to regulate surface coal mining operations and surface effects of underground coal mining on federal lands within the state.

Pursuant to the cooperative agreement, Federal coal lease holders in Utah must submit permit application packages to OSM and DOGM for proposed mining and reclamation operations on federal lands in the state. Utah DOGM reviews the packages to ensure that the permit application complies with the permitting requirements and that the coal mining operation will meet the performance standards of the approved permanent program. If it does comply, Utah DOGM issues the applicant a permit to conduct coal mining operations. OSM, BLM, and other federal agencies review the permit application package to ensure that it complies with the terms of the coal lease, the Mineral Leasing Act of 1920, the National Environmental Policy Act of 1969, and other federal laws and their attendant regulations. OSM recommends approval, approval with conditions, or disapproval of the mining plan to the Assistant Secretary, Land and Minerals Management. Before the mining plan can be approved, BLM and the surface-managing agency (if other than BLM) must concur with this recommendation.

Utah DOGM enforces the performance standards and permit requirements during the mine's operation and has primary authority in environmental emergencies. OSM retains oversight responsibility for this enforcement. BLM has authority in those emergency situations where Utah DOGM or OSM inspectors cannot act before significant environmental harm or damage occurs.

C. History and Background:

The application area includes the area originally delineated as the Alkali Creek Tract plus a 40 acre parcel to eliminate any gaps between the tract and existing Federal coal leases. This is the same tract that was delineated during the second round tract delineation effort for the Uinta-Southwestern Utah Coal Region held in the early 1980's.

An environmental assessment was completed in June of 1982, which cleared the tract for further leasing consideration. The Uinta-Southwestern Utah Coal Region Round Two Final Environmental Impact Statement was completed on October 7, 1983. The Round Two leasing effort evaluated 27 tracts in Utah and Colorado. The Alkali Creek tract was one of 22 tracts recommended for competitive leasing under the preferred alternative (Alternative Two, High Level). Due to a reevaluation of the Federal Coal Program and changes in the regional coal market, none of the tracts were offered for leasing under the Regional Sale Procedures but several tracts have been offered for lease in recent years.

In January of 1988, the Uinta-Southwestern Utah Coal Region was decertified and, as a result, new coal leasing within the Region will be conducted under the Lease by Application (LBA) Process set forth in 43 CFR 3425. This application is the sixth to be processed in Utah under this procedure since decertification of the Region.

D. DESCRIPTION OF THE PROPOSED ACTION:

The proposed action is to offer for lease the Alkali Creek Tract as

delineated. Tract delineation was completed in January 1995, and includes the original 1982 tract plus an additional 40 acres to include all coal lands adjacent to existing leases (Copy of non-confidential tract delineation report attached, Attachment # 3). The tracts legal description is listed below and a map of the area is posted as Attachment # 1.

| <u>Legal Description</u> | <u>Surface Ownership</u> | <u>Acreage</u> |
|--|--------------------------|-----------------|
| T. 13 S., R. 11 E., SLM, Utah | | |
| Sec. 1, Lots 1-8;* | Non-Fed. | 317.52 --- |
| Sec. 10, E1/2E1/2; | Non-Fed. | 160.00 |
| Sec. 11, all; | Non-Fed. | 640.00 |
| Sec. 12, W1/2W1/2; | Non-Fed. | 160.00 |
| Sec. 13, NW1/4NW1/4, S1/2NW1/4, SW1/4; | Non-Fed. | 280.00 |
| Sec. 14, N1/2; | Non-Fed. | 320.00 |
| Sec. 14, N1/2S1/2, SE1/4SE1/4; | Federal | 200.00 |
| Sec. 15, NE1/4NE1/4; | Non-Fed. | 40.00 |
| Sec. 23, N1/2NE1/4NE1/4; | Federal | 20.00 |
| Sec. 24, N1/2N1/2NW1/4. | Non-Fed. | 40.00 |
| | Total | 1,957.52 220.00 |

* Note: Lot 8 is for all coal except the Rock Canyon bed which was included in adjacent lease U-50722 by modification.

Coastal States proposes to extend underground mine workings into the new lease if they are the successful bidders for the lease tract. Two minable coal seams exist in the lease tract and contains an estimated 15 to 18 million tons of recoverable coal. The recoverable reserve figure that will be used for fair market value determination is still being reviewed. However, the 18 million ton figure is expected to be at the upper limit for this assessment as it is about 50% of the estimated 35.4 million tons of in-place reserves. The tract would be mined by underground mining methods using the existing room and pillar methods at the Soldier Canyon Mine at a production level up to 1 million tons per year. The previous tract specific EA and regional EIS analyzed the impacts as a new mine using both longwall and room and pillar mining methods for the tract. The most likely scenario at this time is that physical and economic conditions preclude the possibility of a new mine. Portal access to the coal and location of portal facilities would be difficult and expensive due to the steep and narrow canyons and the location of the outcrop high on the cliff faces. Cost of construction in relation to the limited coal reserves (estimated life of less than 20 years for a small to mid-sized mine) would be uneconomic under current or foreseeable conditions. For this proposed action, development of this lease would be from Coastal's existing adjacent mine workings in the Soldier Canyon Mine. All coal mined would be processed through the existing surface facilities of the mine. Surface disturbance would be from possible mine subsidence and a possible ventilation portal at the coal outcrop in one of the side canyons on the west end of the property. Previous environmental documents addressed a development scenario of a new mine and portal facilities for the lease tract when coal was of higher demand and price. Also, exploration drilling and information obtained after the 1983 leasing effort have indicated less coal reserves than expected which reduces the viability as a stand alone mining tract.

IV. DESCRIPTION OF ALTERNATIVES:

A. Alternative 1 - No Action

Under this alternative the coal lease application would be denied and the tract would not be offered for leasing.

B. Alternative 2 - Offer for lease with identified stipulations

Under this alternative the tract would be offered for competitive leasing as identified by the Tract Delineation Team. Lease stipulations would be the standard BLM ones plus any special stipulations identified to further protect specified resources.

V. DESCRIPTION OF THE AFFECTED ENVIRONMENT:

A. General Setting, Topography and Geology:

The lease tract area is undeveloped land which forms the top of a portion of the Book Cliffs east of Price, Carbon County, Utah. The Book Cliffs area, where the tract is located, is a cliff line running east-west with relief varying from 1,000 to 2,000 feet. The base of the cliffs are at an elevation of 7,000 feet. The rock formations of the cliffs include, from top to bottom, North Horn Formation (limestones), Price River Formation (light sandstones with interbedded shales and conglomerates), Castlegate Sandstone Formation (massive cliff-forming sandstone), Blackhawk Formation (interbedded shales and sandstones along with coal), and Mancos Shale (gray sandy shale). The line direction of the cliff meanders through the lease tract as there are many side draws and canyons off of the main Coal Creek Canyon to the west. The flat tops of the Book Cliffs only occurs in the northeast corner of the lease tract. All of the surface estate for the lease tract is privately held except for public land on the south boundary of the tract.

The affected environment is discussed in detail for the Alkali Creek Tract in a Site Specific Analysis dated June, 1982, (Appendix 3, impact matrix, pg. 22 to 72 with maps). This tract along with 26 others were analyzed in BLM's Round II Uinta-Southwestern Utah Regional Leasing EIS, (Final dated October 1983). Natural environmental conditions have changed little on the tract and surrounding area since the early 1980's. The existing mine and the socioeconomic conditions and projections for the future have changed significantly since this time and will require updated analysis.

B. Existing Mining Disturbance:

The existing Soldier Canyon Mine facility located two miles east of the Proposed coal lease tract, has been operating at various levels since the 1930's. The mine, owned and operated by Coastal States Energy, is situated in Soldier Creek Canyon where mining development has driven tunnels or drifts into the coal seam. A total of 14 acres have been disturbed to build surface facilities such as coal loading facilities, mine offices, repair and storage buildings, ventilation fans, etc. A number of other acres have been disturbed by coal exploration drilling but have all been reclaimed as these drill sites are temporary. The mine will exhaust existing coal reserves in less than 10 years. Then the surface facilities will be removed and the location reclaimed. With leasing the Alkali Creek tract to Coastal States, mining would extend from existing underground workings of the Soldier Canyon Mine into the new lease. Surface facilities would not change and no further surface disturbance would occur except for about 400 square feet for the two intake air portals to the west and possible coal exploration drill sites. The affected environment would be reclaimed at the end of the mine life as approved in the Soldier Canyon Mine and Reclamation Plan.

C. Socioeconomic:

1. General:

The area of influence for this LBA application and the Soldier Canyon Mine is generally confined to the Carbon County area. The mine is in a relatively isolated area about 13 miles from the nearest community (Wellington) but

within 20 miles of most of the county's population.

Carbon County estimated 1993 population was 20,700 which is 1/2 of 1% more than the 1992 population and about 9% less than the county average in the early 1980's. The State Population Estimates Committee indicates that Carbon's population peaked in 1982 at 24,300. The decline since 1982 has been significant, 3,600 or 15 percent. The county has experienced out migration annually between 1982 and 1990. Since then, population has stabilized and begun a slow increasing trend.

The average civilian labor force in the county in 1993 was 8,613. This is a significant 15% less than the peak year of 1982. Considering 1992 data and personal income by industrial source, the major components in Carbon county were:

| | | |
|-----------------------------|-------------|----------|
| Mining..... | \$66,611,00 | (30.3 %) |
| Government..... | 39,941,000 | (18.2 %) |
| Services..... | 38,046,000 | (17.3 %) |
| Trade..... | 31,271,000 | (14.2 %) |
| Transport/public utilities. | 17,888,000 | (8.1 %) |

This is a relatively well balance economy. Income change by significant category from 1991 to 1992 indicates mining declined 8.4 %, government + 4.5%, services + 8.4 %, trade + 5 %, and transport/utilities + 6.2 %.

Mining, which is primarily coal mining, is the dominant industry in the county contributing about 30 percent of earnings. Additionally, coal hauling and coal fired electric generation is the major part of the transportation/public utilities category. Coal mining and directly related areas are clearly the major income production area for Carbon County.

Population projections for the county by the Utah Office of Planning and Budget show a very modest population increase or less than 5 percent by the year 2000.

A major factor influencing Carbon County is what has happened in Utah coal mining industry employment. Total state coal mining employment peaked in 1982 at 4,296. Within one year, the number employed fell to 2,707 (a 37 percent reduction). Moderate decline continued throughout the 80's and has declined significantly in the 1990's to 2,162 employees in 1993.

It is significant that in the period 1983 to 1993, Utah's coal production has increased from 11,829,000 tons to 21,723,000 in 1993 which is about 10 million more tons or an 84 percent increase in this period. This relatively significant increased production was achieved with a significant reduction in direct employment. During this period the productivity of Utah coal mines has increased significantly through cost controls and other efficiency factors including installation of longwall mining equipment which greatly reduces labor requirements. Coal production in Utah is expected to reach new record production of 24 million tons in 1994, a significant 10.4 percent increase from 1993.

2. Specific:

Concerning the most likely development scenario of leasing and mining by the Soldier Creek Mine. Current employment is at 60 and appears stable for production in the 550,000 to 600,000 Tons of coal annually. This mine employs less than 3% of the coal mine employment in Utah (1993 data) and less than 1% of Carbon Counties total work force.

VI. EFFECTS OF IMPLEMENTATION:

A. Alternative 1 - NO ACTION:

The no action alternative would be to deny the lease application and not lease the tract for coal mining. No mining would be allowed within the tract in the foreseeable future. There would be no mining related environmental consequences directly on the tract or no economic benefits to federal, state or local governments from coal lease holding fees and production royalties which would be 30 to 35 million dollars over time. Impacts to surrounding areas would remain the same as coal production at the Soldier Canyon Mine shifts to fee and state lands. The overall mine life would be reduced by 15 to 20 years. All the coal will not be lost, however, its potential for economic development in the foreseeable future would be threatened if access through the existing mine is lost. This is due to the relative small size of the reserve and high cost for development as an independent operation in the present day coal market.

B. Alternative 2 - Offer for lease with Identified stipulations:

1. General:

Under this alternative, the tract would be offered for competitive leasing as recommended by the Tract Delineation Team. The standard BLM lease stipulation attached to this document would be included in the lease.

Underground mining has occurred in the area for many years as this is an historic coal mining region since the turn of the century. Surface impacts from coal mining have been limited to the surface disturbance from the portal facilities. Under this proposal, no new surface facilities would be built and only a ventilation opening or portal at the coal outcrop would be built in one of the side canyons in the west end of the tract. The exact location and size would be dependent on a number of factors that could only be evaluated when a actual mining plan in formulated. However, the best estimations would require two adjacent intake air portals at the coal outcrop that would amount to surface disturbance of about 400 square feet where the mine tunnels or entries would break to the surface. Affects to flora and fauna would be limited to this small area of the portals. T & E species and raptor surveys would need to be done before the openings are made. These portals would be mined to the surface from the underground mine workings. Other than the portal opening, no other surface disturbance would occur. Earth material at the opening would be hauled away underground and not spoiled down the slope from the portal opening. At the end of the mine life, the portals would be sealed from underground and backfilled by hand. A scenario of a larger ventilation portal with facilities (mine fan, substation and power lines) was analyzed in the June 1982 tract specific EA. New estimations with the lease proposal do not require a large ventilation facility which is not included in this analysis.

Affects to the surface from underground mining would be limited to possible mining induced subsidence. The effects are related to the type of mining methods employed. Room and pillar extraction methods with the use of continuous mining machines have shown no subsidence at two adjacent mines. It is surmised that the massive sandstone rock formations above the coal seams have tended to bridge the excavated coal seams and no subsidence expressions on the surface have occurred. If longwall mining methods are employed, some uniform ground lowering is expected. However, the applicant has indicated that the room and pillar mining method with continuous miners is the proposed mining method that would extend from the adjacent Soldier Canyon Mine. With the relatively small size of the coal reserve and the configuration of the Alkali Creek Tract, it is not likely that longwall mining could be justified. For this analysis, mining would be by the room and pillar method and no surface affects from underground mining would occur.

Underground mining may intercept underground water. Historically at adjacent mines, the amount of water intercepted by mine workings has been minimal and no documented changes have occurred to springs or surface waters. Mining the lease is not expected to affect any groundwater sources. Most of the groundwater sources above the coal seams are in the form of widely spaced perched aquifers and there are no area-wide aquifers. Protection of water sources is a condition of mine plan approval.

Mining has encountered paleontological resources such as dinosaur tracks and petrified vegetation. Many of these features have been donated to the local museum. Standard lease stipulations placed on all leases include stipulations to protect significant resources.

The current highway up Soldier Creek Canyon is a designated Scenic Byway and Backcountry Byway that accesses Nine Mile Canyon. Current traffic includes coal haul truck traffic from the Soldier Canyon Mine. If Coastal States is the successful bidder for the lease tract, coal haul truck traffic would continue as the mined coal would still be loaded out at the mine loading facilities. It is likely that production rates may increase with the addition of the lease and therefore increase coal haul truck traffic on the road. Current coal haul truck traffic runs at 40 to 50 round trips per working day. This could increase to 60 round trips per working day. This is not a significant increase that would be noticed. Impacts to visitor's experience and use of the road would essentially be the same as the existing situation. Visual and air quality along the highway would be impaired only to the current extent with the amount of coal haul trucks. The probable locations for a ventilation breakout would not be visible from the highway.

It is likely that if Coastal States is the successful bidder for this lease tract, that extra coal exploration drilling will occur. Over the life of the mine on the lease, it is estimated that about 5 coal exploration drill holes would be drilled. Each drill hole disturbs about a quarter of an acre for the drill pad and drilling fluid pit. An extra acre or two may be disturbed from access road building depending on the length of road need to access the site. These drill holes are very temporary, being only 2 to 6 weeks from initial road and pad grading, through drilling to final reclamation grading and seeding. Reclamation success has been good on other drill holes that are located on the Book Cliffs which receive 16 to 18 inches of precipitation. Cumulative impacts of drilling over the life of the property and surrounding coal lands are still in the order of 10 to 20 acres of total disturbance with only 1 or 2 acres that are disturbed and unreclaimed at any given time.

The following is a summary analysis of the anticipated impacts from the proposed action:

| <u>Critical element</u> | <u>Affected</u> | | <u>Critical element</u> | <u>Affected</u> | |
|-------------------------|-----------------|-----------|-------------------------|-----------------|-----------|
| | <u>Yes</u> | <u>No</u> | | <u>Yes</u> | <u>No</u> |
| Air quality | L(= Low impact) | | T & E species | L | — |
| ACEC's | — | X | Hazardous waste | — | X |
| Cultural resources | — | X | Water quality | L | — |
| Prime/unique farmland | — | X | Wetlands/riparian | — | X |
| Floodplains | — | X | Wild & scenic rivers | — | X |
| Nat. Amer. Religion | — | X | Wilderness/IMP | — | X |
| Visual Resources | — | X | Topography/Geology | L | — |

2. Socioeconomic:

The tract under application is adjacent the Soldier Canyon Mine and could be leased and easily developed through the existing operation. Access to the coal outcrop for another potential operation is technically possible but likely not economical considering the size of the reserve and cost for developing a new operation. For practical purposes, it is assumed the tract would be developed from the existing Soldier Creek operation.

The Soldier Canyon Mine has a production capacity of 1.2 million tons but the new owner is presently operating as a one shift, two continuous miner unit mine. Production is in the 550,000 to 600,000 ton range annually with a permanent work force of 60. The company has indicated production could go to 1,000,000 tons in 2 to 3 years given the right market conditions. The company controls large reserves accessible from this mine and could increase production significantly with increased market share. Lack of significant long term contracts to utilities limits mine production at the present time. The addition of an estimated 18 million tons of reserve depending on recovery and mining method and increased annual production to 1 million tons could result in increased employment of 25 to 30 persons. The factors of long and intermediate marketing conditions and efficiency of the mine equipment are significant factors affecting employment at this mine in the foreseeable future. Since Carbon County has unemployment in the 8 to 10 percent range, new jobs would likely be filled locally through unemployed or under employed persons.

In summary, the leasing and development of the subject federal coal lease tract is not expected to have a significant socioeconomic impact on Carbon County.

3. Cumulative Impacts:

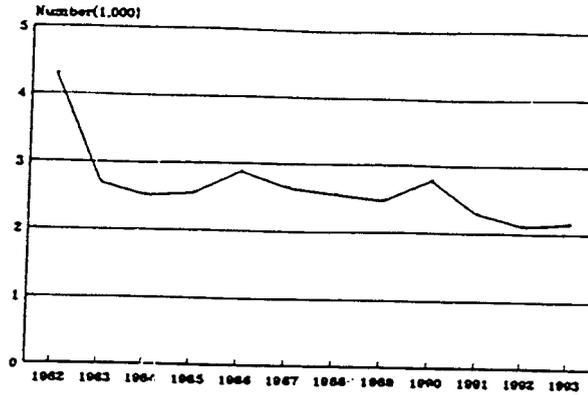
Concerning cumulative impacts from this action and other proposals in the region, BLM has four potential coal lease tracts under consideration in central eastern Utah including two in Carbon county and two in Emery County. In each case, the tracts are adjacent existing operations and will not lead to new operations. Production trends will be in line with those that have occurred in recent years which have generally been flat to gently increasing. For all practical purposes, socioeconomic impacts could be more comparable to trends in coal mining employment which have generally been declining (see chart top of next page). Therefore, based upon the environmental assessment completed in June of 1982, the Uinta-Southwestern Utah Coal Region Round Two Final Environmental Impact Statement completed on October 7, 1983, and reviewing all additional information since the completion of the above stated documents, we have concluded that the cumulative impacts of the leasing of this tract are very low to non-existent. All economic statistics for the county in recent years indicate the declining to stabilizing nature of the Carbon County and lack of adverse cumulative impacts.

BLM management plans have not proposed an accelerating rate of investments in the area that would lead to adverse cumulative impacts. The establishment of Wilderness Areas continues to be a controversial subject with no definite plans for their establishment.

VII. MITIGATION MEASURES:

The lease will contain standard lease stipulations that cover broad environmental standards and goals. These are contained in Attachment # 2. No mining will occur until a mining permit is approved which expands and specifies the standard lease stipulations.

UTAH COAL MINING EMPLOYMENT



VIII. PERSONS/AGENCIES CONSULTED:

PRRA Range Conservationist: Ray Jenson
 PRRA Wildlife Biologist: David Mills
 PRRA Paleontologist: Tom Rasmussen
 PRRA Hydrologist: Kerry Flood
 PRRA Recreation Planner: Dennis Willis
 PRRA Realty Specialist: Mark Mackiewicz
 BLM SO Economist: Max Nielsen
 OSM Representative: Floyd McMullen

Stephen W. Falk
 Team Leader

Mining Engineer
 Title

4/3/95
 Date

Attachments:

- (1) Map of area
- (2) Standard lease stipulations
- (3) Tract Delineation Report

FINDING OF NO SIGNIFICANT IMPACT/DECISION RECORD:

I have reviewed this environmental assessment including the explanation and resolution of any potentially significant environmental impacts. I have determined that the lease application using the standard lease stipulations will not have any significant impacts on the human environment and that an Environmental Impact Statement is not required. The proposed lease application is in conformance with the approved land use plan. My decision is to recommend holding a lease sale of the lease application with the existing lease stipulations.

Mark E. Bailey
Price River Resource Area Manager

4 Apr 95
Date

BLM STIPULATIONS

The following stipulations made part of this lease may be waived or amended with the mutual consent of the lessor and lessee.

1. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this act and are subject to compliance with Office of Surface Mining regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.
2. The permitting of any mining operations on the lease will be subject to the possible designation of any portion of the lease as unsuitable for some or all kinds of surface mining under the regulations of the Department under the Surface Mining Control and Reclamation Act of 1977 (SMCRA) in effect at the time of action on the mine plan permit.
3. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural resources.

If significant cultural resources are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the authorized officer who shall evaluate or have evaluated such discoveries and, within 5 working days, shall notify the lessee what action shall be taken with respect to such discoveries.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee.

4. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a paleontological appraisal of the areas to be disturbed. The appraisal shall be conducted by qualified paleontologists and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified paleontological resources.

If paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the authorized officer who shall evaluate or have evaluated such discoveries brought to his attention and, within 5 working days, shall notify the lessee what action shall be taken with respect to such discoveries. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee. The cost of salvage of paleontological remains (fossils) shall be borne by the United States.

5. If there is reason to believe that threatened or endangered (T&E) species of plants or animals, or migratory species of high Federal interest occur in the area, the lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. A listing of migratory birds of high Federal interest in Federal coal producing regions is published by the Fish and Wildlife Service, Migratory Bird Management Office, Washington, D.C. The inventory shall be conducted by qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee.

6. The lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data is adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the inter-relationship of the geology, topography, surface hydrology, vegetation, and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

7. Powerlines on the lease area used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

8. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities on the lease area. The migration of road surfacing and subsurface materials into streams and water courses shall be prevented.

9. The lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

10. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: 1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, 2) cause damage to existing surface structures, or 3) damage or alter the flow of perennial streams.

11. In order to avoid surface disturbance on steep canyon slopes and to satisfy the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.
12. Support facilities, structures, equipment, and similar developments will be removed from the lease area within 2 years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to a premining land use.
13. The lessee shall be required to pay the value of the royalty on coal left unmined without the authorized officer (AO) approval, which should have been recovered under the approval of a mine plan (Resource Recovery and Protection Plan, [R2P2]) and which would otherwise be lost or left economically inaccessible.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District
Price River/San Rafael Resource Area
125 South 600 West
P. O. Box 7004
Price, Utah 84501

3482
UTU-69635
(UT-066)

96-04-12-07

APR 10 1996

Ranvir Singh
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

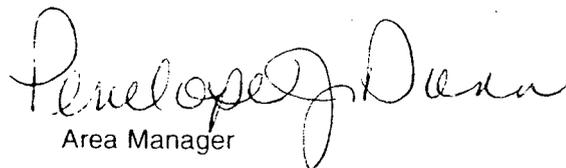
Re: Soldier Creek Coal Company's (Soldier Creek) Resource Recovery and Protection Plan (R2P2)
Minor Modification Request/Incidental Boundary Change (IBC)

Dear Mr. Singh:

On April 5, 1996, the Bureau of Land Management (BLM) received Soldier Creek's notice to accept our conditional approval regarding the mining of limited acreage on Federal coal lease UTU-69635 as described in the IBC and in the manner as indicated in the revised subject R2P2. Therefore, we determined that the proposed minor modification request/IBC does comply with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, the lease terms and stipulations, and will achieve MER of the Federal coal. Hence, we recommend approval.

A copy of Soldier Creek's letter dated April 4 accepting BLM's stipulations is enclosed. If you have any questions, please contact Barry Grosely in our office at (801) 636-3606.

Sincerely,


Area Manager

Enclosure
Soldier Creek Letter

cc: UT-921, SD, Utah (w/Encl.)
Utah Division of Oil, Gas and Mining
355 West North Temple Street
3 Triad Center Ste 350
Salt Lake City, Utah 84180-1203 (w/Encl.)

APR 10 1996
UTU-69635
(UT-066)



Coastal
The Energy People

REID W. "TRICK" OLSEN
VICE PRESIDENT AND GENERAL MANAGER
SOLDIER CREEK COAL COMPANY

RECEIVED
BLM MOAB DISTRICT OFFICE
MARCH 29, 1996

95 APR -5 AM 9:11

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

April 4, 1996

Penny Dunn
Acting Field Office Manager
Bureau of Land Management
Moab District
125 South 600 West
P. O. Box 7004
Price, Utah 84501

Dear Ms. Dunn:

The purpose of this letter is to formally advise the Bureau of Land Management that Soldier Creek Coal Company (Soldier Creek) formally accepts and agrees to the stipulations stated in Mark Bailey's letter to Soldier Creek dated March 29, 1996 related to Soldier Creek's request for an Incidental Boundary Change as part of Soldier Creek's recent Resource Recovery and Protection Plan submittal.

The Bureau of Land Management's timely response to this critical issue is both recognized and appreciated.

Sincerely,

R.W. Olsen

XC: B. Grosley - BLM
C. File (IBC - Alkali Creek Tract)
K. Frame
J. Frederick
K. Zobel
B. Barnum
D. Spillman



United States Department of the Interior

FISH AND WILDLIFE SERVICE

UTAH FIELD OFFICE
LINCOLN PLAZA
145 EAST 1300 SOUTH, SUITE 404
SALT LAKE CITY, UTAH 84115

In Reply Refer To
(CO/KS/NE/UT)

February 15, 1996

Gregory K. Reed
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

96-02-20-12

RE: Soldier Creek Mine Incidental Boundary Change

Dear Mr. Reed:

In response to your letter of November 6, 1995, concerning an incidental boundary change at the Soldier Creek Mine, Soldier Creek Mining Company in Carbon County, Utah, the U.S. Fish and Wildlife Service concurs with your determination that no federally listed threatened or endangered species are known to occur on the project site or will be affected by the proposed action.

Please advise us if we can be of any further assistance.

Sincerely,

Robert D. Williams
Assistant Field Supervisor

CO/KS/NE/UT
1999 BROADWAY, SUITE 3320
DENVER, COLORADO 80202-5733



United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

November 6, 1995

IN REPLY REFER TO:

Mr. Reed Harris
Field Supervisor
U.S. Fish and Wildlife Service
Utah Field Office, Lincoln Plaza
145 East 1300 South, Suite 404
Salt Lake City, Utah 85115

Dear Mr. Harris:

The Office of Surface Mining Reclamation and Enforcement (OSM) and the Utah Division of Oil, Gas, and Mining are currently reviewing an application for an incidental boundary change at the Soldier Canyon Mine, Soldier Creek Mining Company. The proposal consists of adding approximately 276 acres in the Alkali Lease Tract (Federal Lease UTU-69635) west of the current mine permit.

OSM prepared a Biological Assessment for the this operation on 7-25-84. The species addressed in the assessment were the peregrine falcon (Falco peregrinus), black-footed ferret (Mustela nigripes), bald eagle (Haliaeetus leucocephalus), Colorado squawfish (Ptychocheilus lucius), and the humpback chub (Gila cypha). The U.S. Fish and Wildlife Service concurred with OSM's no effect determination on 9-7-84 (memorandum enclosed). In accordance with 50 CFR § 402.12(g), OSM is incorporating by reference the previous biological assessment.

The lease tract is undeveloped land which forms the top portion of the Book Cliffs east of Price, Utah. The base of the cliffs are at an elevation of 7000 feet. The rock formations of the cliffs include; the North Horn Formation (limestones), Price River Formation (light sandstones with interbedded shales and conglomerates), Castlegate Sandstone Formation (massive cliff forming sandstone), Blackhawk Formation (interbedded shales along with the coal), and Mancos Shale. The line direction of the cliff meanders through the lease tract with many side draws and canyons off of Coal Creek Canyon. The majority of the surface ownership of the tract is private except for public land on the south boundary (enclosed map).

Affects to the surface from underground mining would be limited to possible mining induced subsidence. Room and pillar extraction methods with the use of continuous mining machines has shown no subsidence at two adjacent mines. The existing mine

workings and entries will be utilized for the expansion. No additional surface disturbance is planned.

Mining the lease is not expected to affect groundwater. Most of the groundwater sources above the coal seams are perched aquifers with no wide area aquifers. Effects to both the surface and groundwater of the area is expected to be minimal, with no change to the previous estimates of annual water depletions. OSM has determined that the incidental boundary change will not effect any of the above mentioned species because there will be no additional surface disturbance and no change to the annual water depletion.

If you have any questions about this assessment please call me at 303-672-5581.

Sincerely,

Gregory K. Reed
Wildlife Biologist
Biological Sciences Team

Enclosures

A789.GKR.gr.11-8-95 TSR-6-UT0023
REED KIRBY



State of Utah

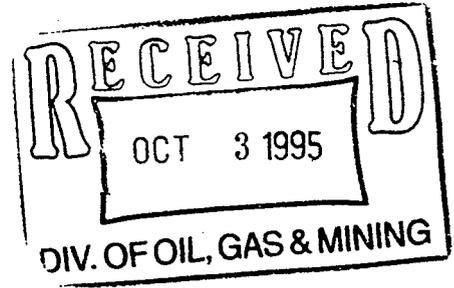


Department of Community & Economic Development
Division of State History
Utah State Historical Society

Michael O. Leavitt
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182
(801) 533-3500 • FAX: 533-3503 • TDD: 533-3502
cehistory.ushs@email.state.ut.us

October 2, 1995



Pamela Grubaugh-Littig
Permit Supervisor
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Incidental Boundary Change (Alkalai Lease Tract), Soldier Creek Mine, Soldier Creek Coal Company, ACT/007/018/95-B, Folder #2, Carbon County, Utah

In Reply Please Refer to Case No. M967

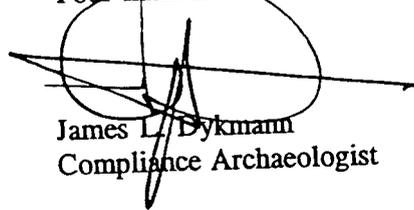
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Dear Ms. Grubaugh-Littig:

The Utah State Historic Preservation Office received the above referenced report on September 27, 1995. After review of the Boundary Change, the Utah Preservation Office has the following comments. Since the plan involves no new ground disturbance and AERC has completed a survey in relation to the project, the Utah Preservation Office recommends a determination of No Historic Properties.

This information is provided on request to assist the Division of Oil, Gas and Mining with its Section 106 responsibilities as specified in 36CFR800. If you have questions, please contact me at (801) 533-3555. My computer address on internet is: jdykman@email.state.ut.us

Your humble servant,


James L. Dykman
Compliance Archaeologist

JLD:I822 OSM/NE

UNITED STATES

DEPARTMENT OF THE INTERIOR

This mining plan approval document is issued by the United States of America to:

Soldier Creek Coal Company
P.O. Box 1029
Wellington, UT 84542

for the Soldier Canyon Mine mining plan for Federal lease UTU-69635 subject to the following conditions. Soldier Creek Coal Company is hereinafter referred to as the operator.

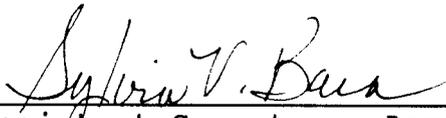
1. Statutes and Regulations.--This mining plan approval is issued pursuant to Federal lease UTU-69635; the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.); and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.). This mining plan approval is subject to all applicable regulations of the Secretary of the Interior which are now or hereafter in force; and all such regulations are made a part hereof. The 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.
2. This document approves the Soldier Canyon Mine mining plan for Federal lease UTU-69635, and authorizes coal development or mining operations on the Federal lease within the area of mining plan approval. This authorization is not valid beyond

T. 13 South, R. 11 East, SLM Utah

Sec. 11: Part of S1/2SE1/4;
Sec. 12: Part of SW1/4SW1/4;
Sec. 13: Part of NW1/4NW1/4;
Sec. 14: Part of E1/2

only 111.7 hectares (276 acres) out of the above, as shown on the map appended hereto as Attachment A, are included in this mining plan modification.

3. The operator shall conduct coal development and mining operations only as described in the complete permit application package, and approved by the Utah Division of Oil, Gas and Mining, except as otherwise directed in the conditions of this mining plan approval.
4. The operator shall comply with the terms and conditions of the leases, this mining plan approval, and the requirements of the Utah Permit No. ACT/007/018-95B 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.).
5. This 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.
6. If during mining operations unidentified prehistoric or historic resources are discovered, the operator shall ensure that the resources are not disturbed and shall notify Utah Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSM). The operator shall take such actions as are required by Utah Division of Oil, Gas and Mining in coordination with OSM.
7. The Secretary retains jurisdiction to modify or cancel this approval, as required, on the basis of further consultation with the U.S. Fish and Wildlife Service pursuant to section 7 of the Endangered Species Act, as amended, 16 U.S.C. §§ 1531 et seq.

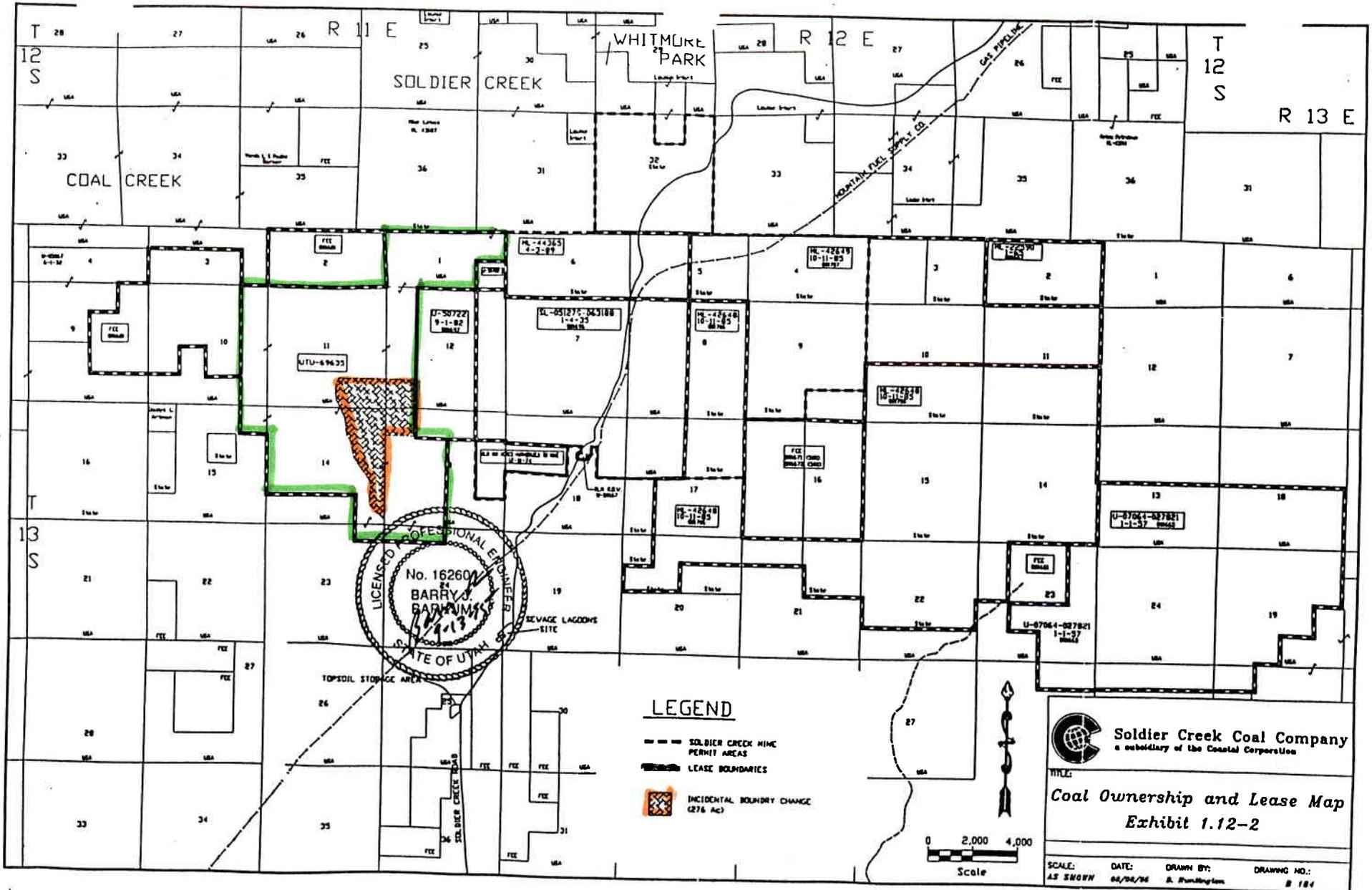


Assistant Secretary, Land and Minerals Management

5/14/96

_____ Date

Attachment A





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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

April 3, 1996

Rick Olsen, President
Soldier Creek Coal Company
P.O. Box 1029
Wellington, Utah 84542

96-04-12-11

Re: Revised State Permit (Alkali Least Tract - Incidental Boundary Change - Federal Lease UTU-69635), Soldier Creek Coal Company, Soldier Canyon Mine, ACT/007/018, Folder #3, Carbon County, Utah

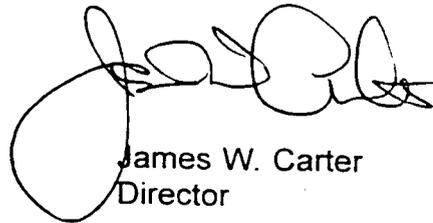
Dear Mr. Olsen:

I am enclosing a revised permanent program mining permit for the Soldier Canyon Mine incidental boundary change associated with federal lease UTU-69635 (about 276.17 acres and 2.2 million tons of recoverable coal). This permit was revised from the permit issued on November 10, 1995 to detail the legal description for the incidental boundary change specifically.

Please sign both copies of the permit that stipulate the Secretary's approval is required prior to mining in this area.

If you have any questions, please call me or Pamela Grubaugh-Littig.

Very truly yours,



James W. Carter
Director

Enclosures

cc: Ranvir Singh, OSM-WRCC
Lowell Braxton (w/o enclosure)
Daron Haddock (w/o enclosure)
Joe Helfrich (w/o enclosure)
Pamela Grubaugh-Littig



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/007/018**, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGGM) to:

Soldier Creek Coal Company
P. O. Box 1029
Wellington, Utah 84542
(801) 637-6360

for the Soldier Canyon Mine. Soldier Creek Coal Company is the lessee of federal coal leases SL-051279-063188, U-50722, and UTU-69635 and the lessee of state coal leases ML-22675, ML-21994, ML-42648, ML-42649, and ML-44365. A performance bond is filed with the DOGM in the amount of \$3,238,000 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.
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Township 13 South, Range 12 East, SLBM

- Section 4:** All;
Section 5: All;
Section 6: All;
Section 7: All;
Section 8: All;
Section 9: W1/2, NE1/4, N1/2SE1/4;
Section 17: N1/2;
Section 18: N1/2N1/2, SE1/4NE1/4, 1/2NW1/4, NE1/4SW1/4NE1/4, NW1/4SW1/4NE1/4; and
Section 19: Portion of SW1/4SW1/4.

Township 12 South, Range 12 East, SLBM

Section 32: NW1/4, SW1/4NE1/4, E1/2NE1/4, S1/2.

Township 13 South, Range 11 East, SLBM

Section 1: E1/2SE1/4;
Section 11: SE1/4SE1/4;
Section 12: E1/2, E1/2NW1/4, E1/2SW1/4;
Section 13: N1/2NE1/4, NE1/4NW1/4, SE1/4NE1/4, NE1/4SE1/4;
Section 24: Portions of SE1/4SE1/4;
Section 25: Portions of N1/2NW1/4SE1/4, Portions of S1/2SW1/4NE1/4;
IBC Legal: Beginning at the north east corner of Section 12, Township 13 South, Range 11 East, go 2,508 feet south 00° 26'03" east, thence 1,324 feet north 89° 47'01" west, thence 3,772 feet south 00° 22'14" east, thence 921 feet north 45° 20'28" west, thence 209 feet north 12° 10'17" west, thence 252 feet north 00° 40'55" east, thence 377 feet north 07° 27'51" east, thence 151 feet north 06° 50'34" west, thence 139 feet north 15° 02' 16" west, thence 1,236 feet north 36° 36'37" west, thence 417 feet north 12° 54'07" west, thence 281 feet north 07° 34'52" west, thence 198 feet north 25° 47'14" west, thence 197 feet north 39° 01'24" west, thence 212 feet north 07° 19'35" west, thence 425 feet north 27'01" west, thence 178 feet north 11° 41'22" west, thence 864 feet north 27° 07'43" west, thence 240 feet north 06° 28'20" west, thence 238 feet north 01° 12'13" west, thence 194 feet north 11° 18'36" east, thence 315 feet north 16° 52'27" east, thence 3,436 feet south 89° 26'59" east, thence 2,508 feet south 00° 26'03" east to point of beginning (See Drawing No. TOSC1A001 - Property Description of Alkali Lease Incidental Boundary Change)

This legal description is for the permit area (as shown on Attachment B) of the Soldier Canyon Mine. The permittee is authorized to conduct underground coal mining activities on the foregoing described property subject to the conditions of the leases, including all conditions and all other 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** - This revised permit becomes effective on April 3, 1996 and expires on February 3, 1997.
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- Sec. 6 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, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
 - (b) Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100, R645-400-200 and 30 CFR 842, when the inspection is in response to an alleged violation reported 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 mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- (a) Any 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. 9 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. 10 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. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-3023 for compliance, modification, or abandonment of existing structures.
- Sec. 12 RECLAMATION FEE PAYMENT** - 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. 13 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. 14 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. 15 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. 16 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. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.

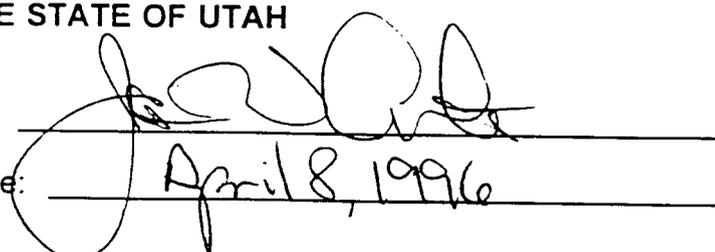
Sec. 18 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases and this permit, the permittee shall comply with the special conditions appended hereto as Attachment A.

The above conditions (Secs. 1-18) 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: _____

Date: _____

Handwritten signature and date: April 8, 1996

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

PERMITTEE

Authorized Representative of the Permittee

Date: _____

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/007/018, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Soldier Creek Coal Company
P. O. Box 1029
Wellington, Utah 84542
(801) 637-6360

for the Soldier Canyon Mine. Soldier Creek Coal Company is the lessee of federal coal leases SL-051279-063188, U-50722, and UTU-69635 and the lessee of state coal leases ML-22675, ML-21994, ML-42648, ML-42649, and ML-44365. A performance bond is filed with the DOGM in the amount of \$3,238,000 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.

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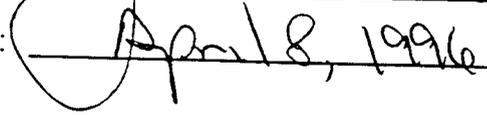
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THE STATE OF UTAH

By: _____

Date: _____

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

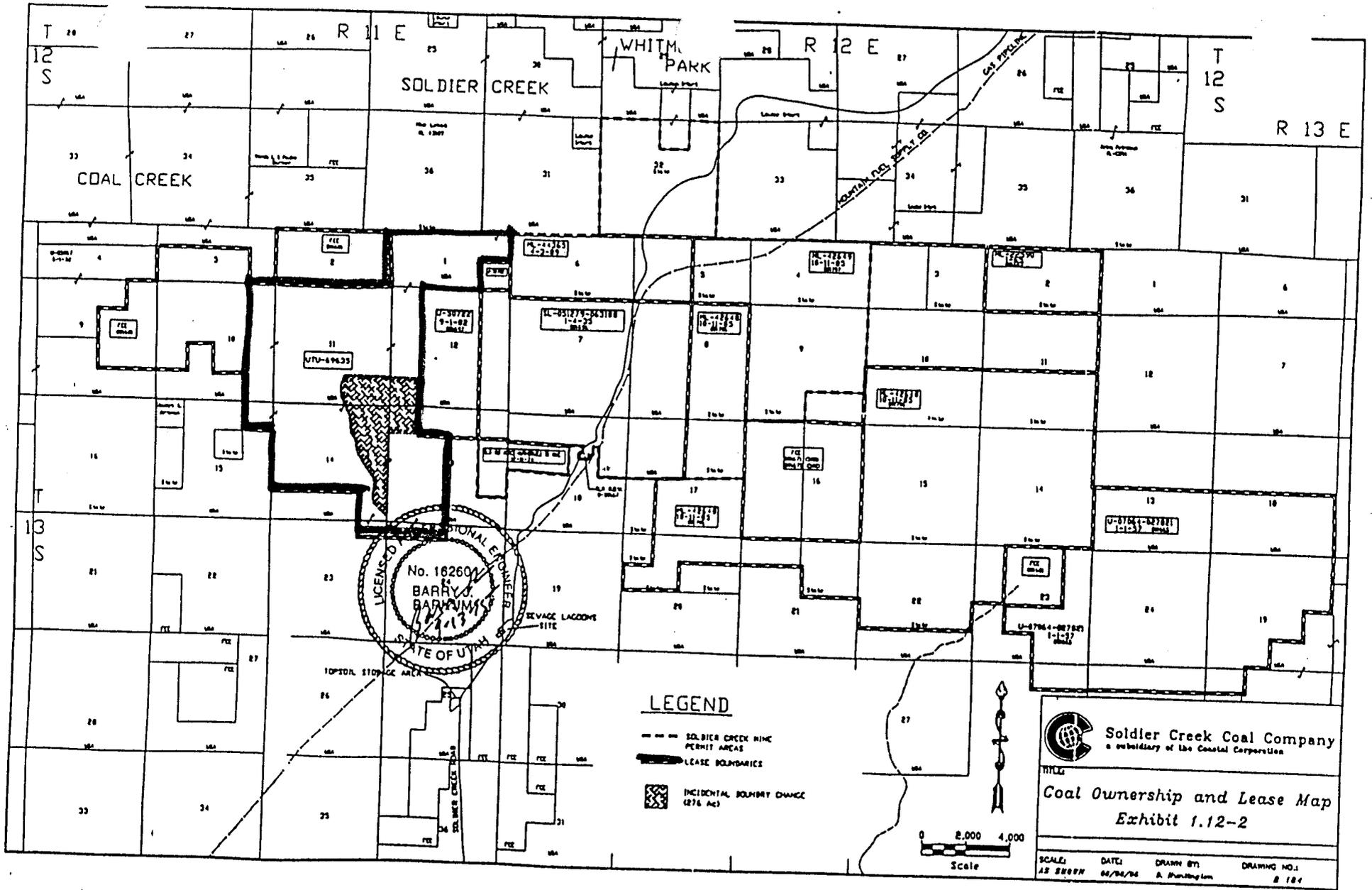
PERMITTEE

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

Condition (1) Soldier Creek Coal Company can commence mining in the 276 acres of the incidental boundary change of federal lease UTU-69635 (Attachment B) when the mining plan approval is signed by the Secretary.



Attachment "B"



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

November 10, 1995

Ranvir Singh
Federal Lands Program
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-5733

Re: Decision Document, Incidental Boundary Change - Alkali Lease Tract, Soldier Creek Coal Company, Soldier Canyon Mine, Folder #2, Carbon County, Utah

Dear Mr. Singh:

I am enclosing the Decision Document for the Incidental Boundary Change (IBC) for the Alkali Lease Tract. This IBC encompasses about 276 acres with about 2.2 million tons of recoverable coal. I understand that you are consulting with the Bureau of Land Management in regard to the Resource Recovery and Protection Plan.

I am also enclosing information that further updates the permit application for this incidental boundary change. If you have any questions, please call me or Pamela Grubaugh-Littig. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'James W. Carter', written over a large, stylized circular flourish.

James W. Carter
Director

Enclosure

cc: Lowell P. Braxton (w/o enclosure)
Pamela Grubaugh-Littig

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT AND
TECHNICAL ANALYSIS

Soldier Creek Coal Company
Soldier Canyon Mine
Incidental Boundary Change
Federal Lease UTU-69635
Alkali Lease Tract
ACT/007/018
Carbon County, Utah

November 7, 1995

CONTENTS

- * Administrative Overview
- * Location Map
- * Permitting Chronology
- * Mine Plan Information Form
- * Findings
- * Permit
- * Technical Analysis, dated November 3, 1995
- * Letters of Concurrence and Consultations
 - State Historic Preservation Office, October 2, 1995
 - Bureau of Land Management, R2P2, OSM Consultation, Pending
 - Coal Lease Assignment, UTU-69635, October 1, 1995
 - Fish and Wildlife Service, October 1, 1995, October 30, 1995, and OSM
Consultation
- * Environmental Assessment
- * AVS Recommendation, Memo dated November 7, 1995
- * Surety

ADMINISTRATIVE OVERVIEW

Soldier Creek Coal Company
Soldier Canyon Mine
Incidental Boundary Change
Federal Lease UTU-69635
Alkali Lease Tract
ACT/007/018
Carbon County, Utah

November 7, 1995

PROPOSAL

Soldier Creek Coal Company (SCCC) proposes an incidental boundary change of 276 acres (approximately 2.2 million tons of recoverable coal) to begin mining in the recently-acquired Alkali Lease UTU-69635. This increase in acreage is considered an incidental boundary change to the permit area and not a significant revision and therefore, does not require public notice as part of this permitting process. The recently-acquired federal lease, however, had public participation during the environmental assessment.

BACKGROUND

The Mining and Reclamation Plan (MRP) for the Soldier Canyon Mine was originally approved by the Division of Oil, Gas and Mining (DOGGM) and the Office of Surface Mining Reclamation and Enforcement (OSMRE) on June 10, 1985. The approved permit area consisted of two federal coal leases, SL-051279-063188 and U-50722, encompassing 2,143.81 acres. The Bureau of Land Management (BLM) administers 590 of those acres and the remainder are privately owned.

In June of 1986 SCCC was sold to the Sun Company. A new MRP was submitted which incorporated two new state coal leases (ML-21994 and ML-22675) and portions of two other state leases (ML-42648 and ML-42649), held by affiliates of Sun Company, into the permit area. The new MRP was approved by DOGGM on February 3, 1987, bringing the permitted area to a total of 4,347.99 acres. Due to the extensive additions to the permit area and submittal of a complete new MRP, a new five-year permanent program was issued with the approval.

SCCC acquired state lease ML-44365 on April 3, 1989 and requested that it be added to the permit area on April 17, 1989. The lease encompassed 557.20 acres. A revised mining permit incorporating lease ML-44365 was issued on August 9, 1991. This brought the total permit acreage to 4905.19 acres.

A topsoil/substitute topsoil storage site, consisting of an additional 4.5 acres was added to the permit area on May 28, 1991, bringing the total permit acreage to 4909.69 acres. No additional coal leases were involved.

In order to accommodate an increase in production and additional expansion at the mine site SCCC required more space. Two incidental boundary changes (IBC's) had previously been granted and were equivalent to approximately 15% of the current disturbed area. A surface expansion was approved in June 1991. The applicant proposes to increase intake capacity for the ventilation network and upgrade the coal handling and transportation facilities at the mine. The total increased area of surface disturbance for the site was 5.6 acres and increased the bonded and disturbed area from 32.2 to 37.8 acres. The stretch of county road going through this area was also relocated.

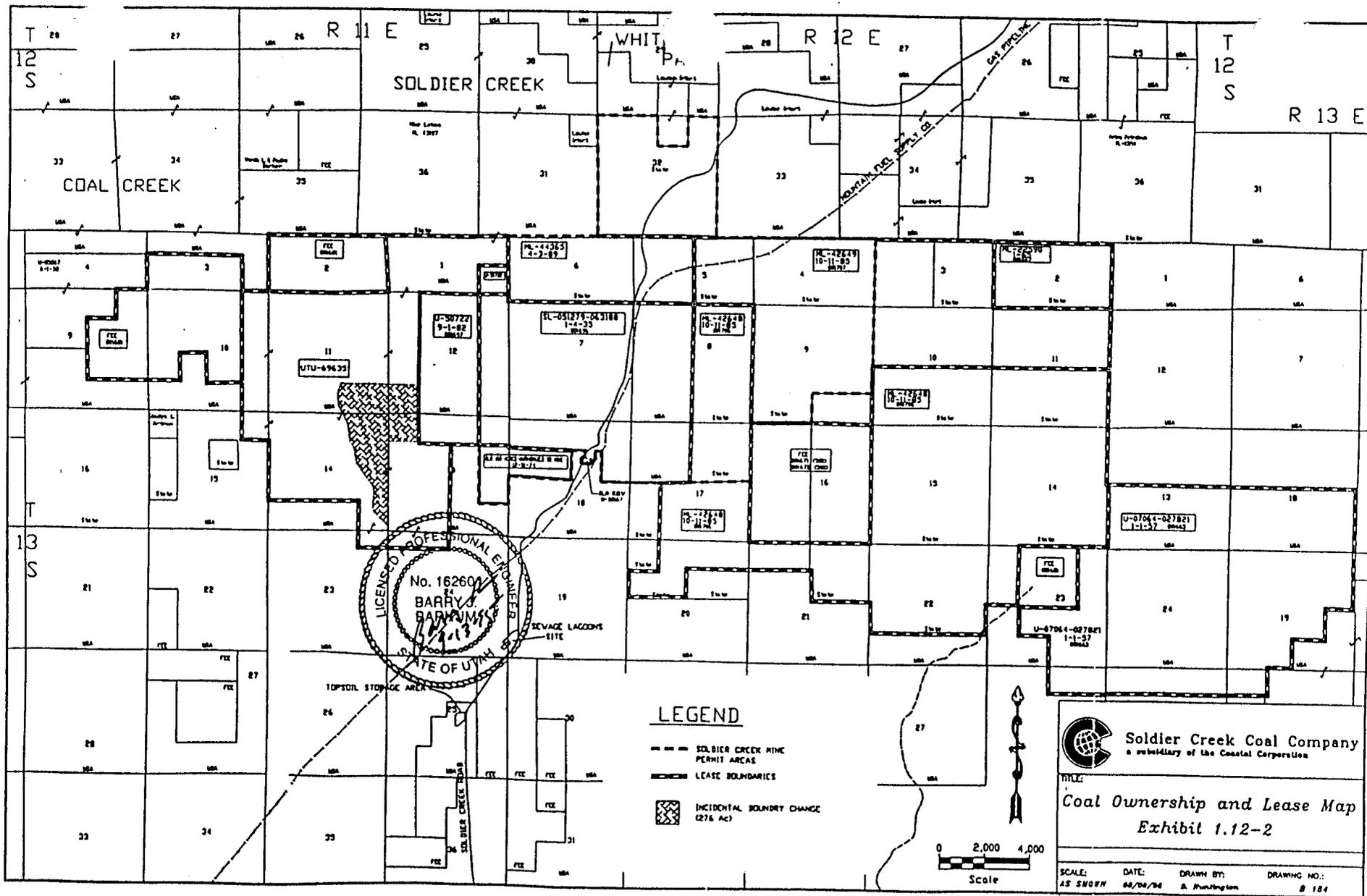
ANALYSIS

This incidental boundary change is an underground only and the area will be mined from existing workings with no surface disturbance. This change is also within the current Cumulative Impact Area (CIA) of the CHIA.

A Cumulative Hydrologic Impact Assessment (CHIA), which included the area of the new surface disturbance, was done in February 1987. Effects to the hydrologic balance resulting from the surface disturbance are expected to be minimal and most likely would only affect surface waters. The initial review of SCCC's plan uncovered various deficiencies. SCCC subsequently submitted more specific and detailed plans regarding the use of the expanded surface area. At this time there are a few outstanding technical issues that will be incorporated into the permit document as conditions.

RECOMMENDATION

SCCC has demonstrated that increasing the current permit boundary with the incidental boundary change can be done in conformance with the Surface Mining Control and Reclamation Act, and the corresponding Utah Act and performance standards. A 510(c) report was run on the Applicant Violator System and no problems were encountered (see attached Memo). It is therefore recommended that approval be given for this incidental boundary change to mine 276 acres with 2.2 million tons of recoverable coal.



IBC - LOCATION MAP
UTU-69635

MINE PLAN INFORMATION

Mine Name: Soldier Canyon Mine State ID: ACT/007/018

Operator: Soldier Creek Coal Company County: Carbon

Controlled By: Coastal Corporation Contact Person(s): Rick Olsen

Telephone: (801) 637-6360 Position: President

New/Existing: Both Mining Method: Room and Pillar

Federal Lease No(s): SL-051279-063188; U-50722, UTU-69635

Legal Description(s): SL-051279-063188: T.13S., R.11E., Sec. 12: E1/2 E1/2; Sec. 13: NE1/4NE1/4, SE1/4NE1/4, NE1/4SE1/4; Sec. 18: Lot 2 (SW1/4NW1/4), SE1/4NW1/4; T.13S., R.12E.; Sec. 7: All; Sec.8: W1/2; Sec. 17: NW1/4; Sec. 18: N1/2NE1/4, SE1/4NE1/4, NE1/4NW1/4, Lot 1 (NW1/4NW1/4); U-50722: T.13S., R.11E., Sec. 12: E1/2W1/2, W1/2E1/2; Sec. 13: NW1/4NE1/4, NE1/4NW1/4; UTU-69635: T.13.S. R11. Sec. 1: Lots 1-7, Lot 8 for all coal except the Rock Canyon seam; Sec. 10: 1/2E1/2; Sec. 11: All; Sec.12: W1/2W1/2; Sec. 13: W1/2NW1/4, SE1/4NW1/4, SW1/4; Sec. 14: N1/2, N1/2S1/2, SE1/4 SE1/4; Sec. 15: NE1/4 NE1/4; Sec 23: N1/2 NE1/4 NE1/4; Sec. 24: N1/2N1/2 NW1/4 (This is the entire Alkali Lease Tract which contains 1957 acres, the IBC is for only 276 acres)

State Lease No(s): ML-21994; ML-22675; ML-42648(part); ML-42649(part); ML-44365

Legal Description(s): ML-21994: T.12S., R.12E., Sec. 32: S1/2; ML-22675: T.12S., R.12E., Sec. 32: NE1/4NE1/4, S1/2NE1/4, NW1/4; ML-42648: T.13S., R.12E., SE1/2 Sec. 17: NE1/4; ML-42649: T.13S., R.12E., Sec. 4: S1/2, Lots 1,2,3,4, Sec. 5: SE1/4, Lots 1,2, Sec. 9: W1/2, NE1/4, N1/2SE1/4; ML-44635: T.13S., R.12E., Sec. 5: SW1/4, Lots 3,4, Sec. 6: All

Other Leases (identify): None
Description(s): _____

Ownership Data:

| <u>Surface Resources (acres):</u> | <u>Existing Permit Area</u> | <u>Proposed Permit Area</u> | <u>Total Life Of Mine Area</u> |
|-----------------------------------|-----------------------------|-----------------------------|--------------------------------|
| Federal | <u>590.19</u> | <u> </u> | <u>594.69</u> |
| State | <u>2755.80</u> | <u> </u> | <u>2755.00</u> |
| Private | <u>1560</u> | <u>276</u> | <u>1560</u> |
| Other | <u> </u> | <u> </u> | <u> </u> |
| TOTAL | <u>4905.19</u> | <u>276</u> | <u>5142.63</u> |

Coal Ownership (acres):

| | | | |
|--------------|-----------------------|-------------------|-----------------------|
| Federal | <u>2111.63</u> | <u>276</u> | <u>2387.63</u> |
| State | <u>2755.00</u> | <u> </u> | <u>2755.00</u> |
| Private | <u> </u> | <u> </u> | <u> </u> |
| Other | <u> </u> | <u> </u> | <u> </u> |
| TOTAL | <u>5142.63</u> | <u>276</u> | <u>5142.63</u> |

Mine Plan Information
 Soldier Creek Coal Company
 Incidental Boundary Change
 Alkali Lease Tract
 Page 2

| <u>Coal Resource Data (Millions Tons)</u> | <u>Total Reserves</u> | <u>Total Recoverable Reserves</u> |
|---|-----------------------|-----------------------------------|
| Federal | 27,155.8 (+4.4-IBC) | 10,637.7 (+2.2-IBC) |
| State | 76,917.3 | 29,447.2 |
| Private | | |
| Other | | |
| TOTAL (Life of Mine) | 148,073.1 | 42,284.9 |
| Total Percent Recoverable | 38.5% | |

| <u>Recoverable Reserve Data</u> | <u>Name</u> | <u>Thickness</u> | <u>(Map)</u> | <u>Depth</u> |
|---------------------------------|--------------------|------------------|--------------|---------------------|
| Seam | <u>Sunnyside</u> | <u>5' - 11'</u> | (E031) | <u>250' - 2700'</u> |
| Seam | <u>Gilson</u> | <u>1' - 18'</u> | (E033) | <u>250' - 2700'</u> |
| Seam | <u>Rock Canyon</u> | <u>6' - 12'</u> | (E032) | <u>250' - 2700'</u> |

Mine Life: 1976-2016
 Average Annual Production: 600,000 Tons Percent Recovery: 34 - 40%
 Date Projected Annual Rate Reached: 1990-2005
 Date Production Begins: 1976 Date Production Ends: 2016
 Reserves Recoverable By: (1) Surface Mining: None
 (2) Underground Mining: 40,089 Tons
 Reserves Lost Through Management Decisions: Unknown
 Coal Market: Unknown

Modifications that have been approved:

Date:

Addition of Leases ML-21994, ML-22675,
ML-42648 (part), ML-42649 (part)

February 3, 1987

Addition of Lease ML-44365

August 8, 1989

FINDINGS

Soldier Creek Coal Company
Soldier Canyon Mine
Incidental Boundary Change
Federal Lease UTU-69635
Alkali Lease Tract
ACT/007/018
Carbon County, Utah

November 7, 1995

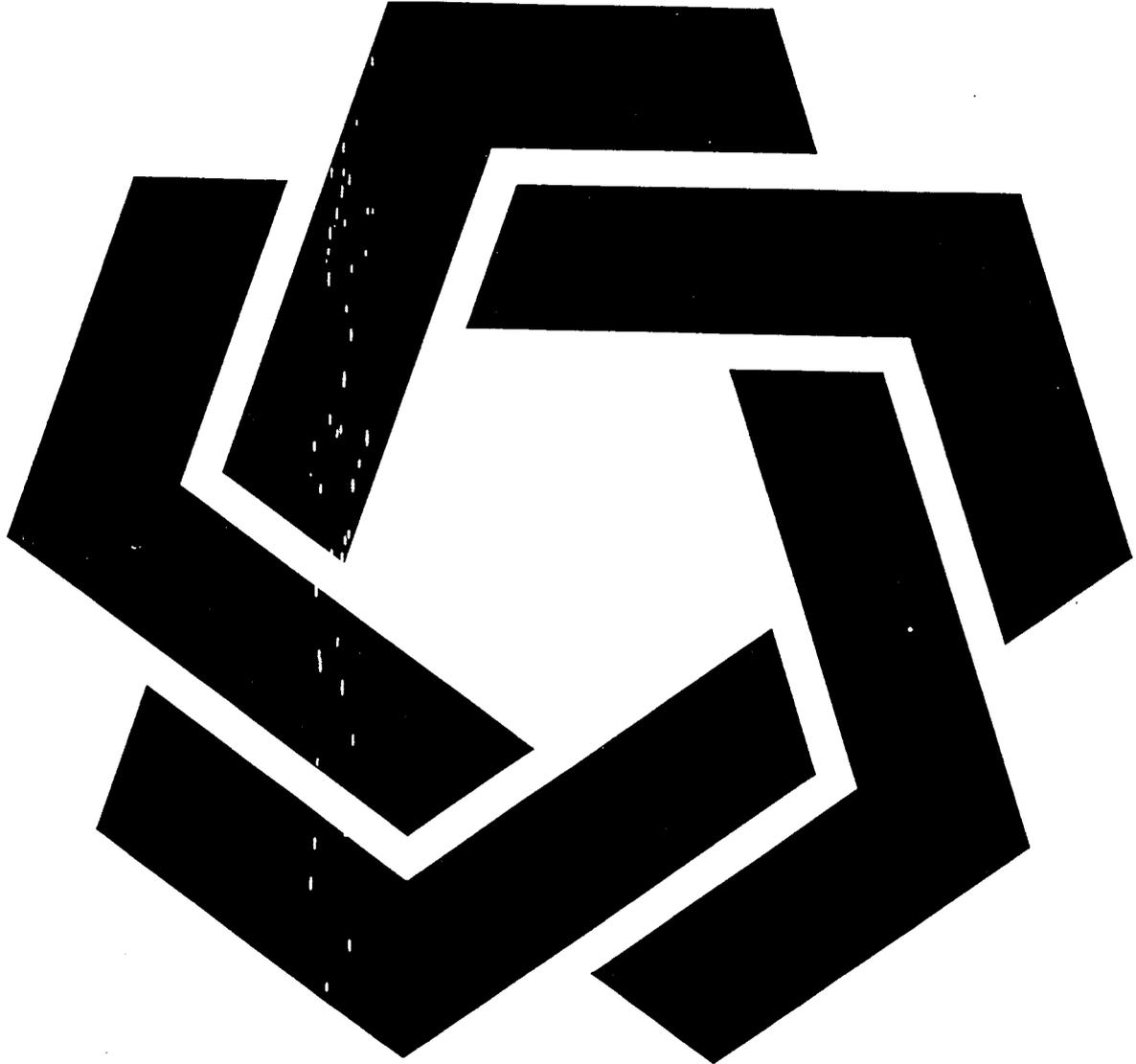
1. The revised plan and the permit application are accurate and complete and all requirements of the Surface Mining Control and Reclamation Act (the "Act"), and the approved Utah State Program have been complied with (See Technical Analysis dated November 3, 1995) (R645-300-133.100).
2. The applicant proposes acceptable practices for the reclamation of disturbed lands (Mining and Reclamation Plan (MRP) Vol. 9, Chapter 3.0). These practices have been shown to be effective in the short-term; there are no long-term reclamation records utilizing native species in the western United States. Nevertheless, the regulatory authority has determined that reclamation, as required by the Act, can be feasibly accomplished under the MRP. No surface disturbance is associated with this incidental boundary change.
3. The assessment of the probable cumulative impacts of all anticipated coal mining and reclamation activities in the general area on the hydrologic balance has been made by the regulatory authority. The Mining and Reclamation Plan (MRP) proposed under the application has been designed to prevent damage to the hydrologic balance in the permit area and in associated off-site areas (See Cumulative Hydrologic Impact Analysis (CHIA) in the Technical Analysis dated November 3, 1995) (R645-300-133.400 and UCA 40-10-11{2}{c}).
4. The proposed lands to be included within the permit area are:
 - A. not included within an area designated unsuitable for underground coal mining operations (MRP, p. 2-7);
 - B. not within an area under study for designated lands unsuitable for underground coal mining operations (MRP, p. 2-7);
 - 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) (MRP, p. 2-6);

Findings
Soldier Creek Coal Company
Incidental Boundary Change
Alkali Lease Tract
Page 2

- D. Within 100 feet of the outside right-of-way of Utah Highway 53, a public road. The applicant has received formal permission from the Carbon County Commissioners to mine within 100 feet of the right-of-way of a public road;
 - E. not within 300 feet of any occupied dwelling (MRP, p. 2-6) (R645-300-133-220).
5. The regulatory authority's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800) (See attached letter from State Historic Preservation Officer (SHPO) dated October 2, 1995) (R645-300-133.600).
 6. The applicant has the legal right to enter and conduct mining activities in the federal lease UTU-69635 (See Coal Lease UTU-69635 issued by the Bureau of Land Management, effective October 1, 1995) (R645-300-133.300).
 7. 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; neither Soldier Creek Coal Company, Inc. or its parent company are delinquent in payment of fees for the Abandoned Mine Reclamation Fund; and the applicant does not control and has not controlled mining operations with demonstrated pattern of willful 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 (R645-300-133.730).
 8. Underground coal mining and reclamation operations to be performed under the permit will not be inconsistent with other such operations anticipated to be performed in areas adjacent to the proposed permit area. No other mines are operational in the immediate vicinity.
 9. The applicant has posted a surety bond for the Soldier Canyon Mine in the amount of \$3,238,000 (United Pacific Insurance Company, Bond #U1712871-1). This bond is adequate to reflect costs which would be incurred by the state to reclaim areas currently disturbed although no surface disturbance is associated with this incidental boundary change.

10. No lands designated as prime farmlands or alluvial valley floors occur on the permit area (R645-300-133.200).
11. The proposed postmining land-use of the permit area is the same as the pre-mining land use and has been approved by the regulatory authority and the surface land management agency.
12. The regulatory authority has made all specific approvals required by the Act, the Cooperative Agreement and the Federal Lands Program.
13. The proposed operation will not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habits (United States Fish and Wildlife letter of October 2, 1995 did not concur nor deny) (R645-300-133.500).
14. All procedures for public participation required by the Act, and the approved Utah State Program have been complied with. This incidental boundary change did not require public notice. (R645-300-120).

State of Utah
Division of Oil, Gas and Mining
Utah Coal Regulatory Program



Administrative Analysis and Findings
Incidental Boundary Change
Soldier Creek Coal Company
November 3, 1995

ADMINISTRATIVE FINDINGS

COMPLETENESS

The application is complete and accurate and the applicant has complied with all the requirements of the State Program. This finding is primarily made in association with the findings made in the Technical Analysis.

VALID EXISTING RIGHTS

The proposed permit area is not within an area under study or administrative proceedings under a petition, filed pursuant to R645-103-400 or 30 CFR 769, to have an area designated as unsuitable for coal mining and reclamation operations. The proposed permit area is 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); and not within 300 feet of any occupied dwelling (R645-300-133.220) or within 100 feet of a public road (R645-300-133.220).

SEVERED SURFACE AND MINERAL OWNERSHIP

Soldier Creek Coal Company has legally obtained the Federal lease which gives them the right to mine the coal within the proposed permit area. While much of the surface estate is privately owned by Louis Iriart, the application contains her written consent to allow underground mining to occur in this area. (letter dated September 1, 1995)

ENDANGERED SPECIES ACT

The operation is designed to not affect the continued existence of endangered or threatened species or result in destruction or adverse modification of their critical habitats, as required under the Endangered Species Act of 1973 (16 U.S.C. 1531 et.seq.). The final finding regarding potential effects to proposed or listed threatened and endangered species should be made through the biological assessment prepared by the Office of Surface Mining. The Fish and Wildlife Service will need to review this assessment and provide comment.

NATIONAL REGISTER OF HISTORIC PLACES

The Division has coordinated the review of the application with the State Historic Preservation Officer as specified in 36 CFR section 106. No properties listed in the National Register of Historic Places are located in or near the proposed permit area. (See letter from State History dated October 2, 1995.)

HYDROLOGIC IMPACT

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 both inside and outside the permit area. (R645-300-133.400 and UCA 40-10-11{2}(c). (See CHIA and Technical Analysis)

RECLAIMABILITY

No surface disturbing activities are planned or anticipated for the area of the Incidental Boundary Change. Mining will be conducted as a continuation of existing underground workings. (See Technical Analysis)

EXISTING STRUCTURES

No existing surface structures are planned to be disturbed or used in mining the area of the Incidental Boundary Change. (See Technical Analysis)

RECLAMATION FEES

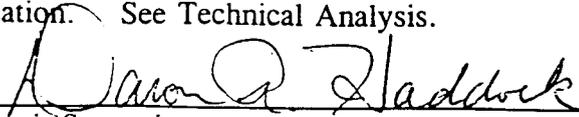
The Applicant has paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870. A 510{c} report has been run on the Applicant Violator System (AVS), which shows that: prior violations of applicable laws and regulations have been corrected; Soldier Creek Coal Company is not delinquent in payment of fees for the Abandoned Mine reclamation Fund; and the applicant does not control and has not controlled mining operations with a demonstrated pattern of willful 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. (R645-300-132)

AGRICULTURAL POST-MINING LAND USE

The requirements for approval of a long-term, intensive agricultural postmining land use, in accordance with the requirements of R645-301-353.400 are not applicable to this application. There are no farmlands or agricultural uses of the land within the proposed permit area. Findings regarding land use are provided in the Technical Analysis.

SPECIAL CATEGORIES AND AREAS OF MINING

The R645-302 requirements under special categories of mining and special areas of mining are not applicable to this application. See Technical Analysis.


Permit Supervisor

State of Utah
Division of Oil, Gas and Mining
Utah Coal Regulatory Program



TECHNICAL ANALYSIS
ALKALI LEASE INCIDENTAL BOUNDARY CHANGE
Soldier Creek Coal Company
Soldier Canyon Mine
ACT/007/018-95B
November 2, 1995

TECHNICAL ANALYSIS

SUMMARY OF PERMIT CONDITIONS

As determined in the analysis and findings of this Technical Analysis, approval of the plan is subject to the following Permit Conditions. The applicant is subject to compliance with the following Permit Conditions and must commit to comply with the requirements of these conditions as referenced in the approved Permit.

Accordingly, as a condition of this permit, the permittee must do the following, in accordance with the requirements of:

R645-301-522, 43 CFR 3480

Before coal mining can commence in the IBC, the Bureau of Land Management must approve a Resource Recovery and Protection Plan (R2P2) and a mining plan for the area. Upon approval of the R2P2 and mining plan, Soldier Creek Coal Company must amend the PAP with the appropriate documentation.

IDENTIFICATION OF INTERESTS, VIOLATION INFORMATION, AND RIGHT OF ENTRY INFORMATION

Regulatory Reference: UCA R645-301-112; R645-301-113; R645-301-114

Analysis:

Other than right of entry, the applicant has not provided new information for this portion of the mining and reclamation plan. Ownership and control and violation information does not change with this amendment.

The area proposed to be included in the incidental boundary change does not border land (either surface or mineral) owned by entities not already shown in the mining and reclamation plan. Therefore, no new land ownership information is required.

The proposed incidental boundary change is within federal lease UTU-69635. The Division received a letter from the Bureau of Land Management on September 27, 1995, saying the lease has been issued to Sage Point Coal Company.

Findings:

This portion of the application is considered complete and accurate.

UNSUITABILITY CLAIMS

Regulatory Reference: UCA R645-301-115

Analysis:

There are no roads or buildings within the proposed incidental boundary change. The Division is unaware of any proposal to designate the area as unsuitable for mining. The Bureau of Land Management, in its decision to hold a lease sale, determined the lease application was in conformance with the approved land use plan. They also determined that the lease application, using the standard lease stipulations, will have no significant impacts on the human environment.

Findings:

The applicant has complied with the requirements of this regulation.

The Division is unaware of any proposal to designate the area as unsuitable for mining, and the Bureau of Land Management has found the lease application to be in conformance with the approved land use plan.

PERMIT TERM, INSURANCE, PROOF OF PUBLICATION, NOTARIZED SIGNATURE

Regulatory Reference: UCA R645-301-116; R645-301-117; R645-301-121; R645-301-123; R645-301-142

Analysis:

The application does not address most of these regulations. The permit term would not change as a result of this application, and the permittee has insurance coverage meeting the division's requirements. The amendment is not a significant revision, so no public notice is required.

The application includes a statement with the notarized signature of Barry Barnum indicating he is a responsible official of the applicant and that the information in the application is true and correct to the best of his information and belief.

Findings:

The applicant has complied with the requirements of these regulations.

ENVIRONMENTAL RESOURCE INFORMATION

VEGETATION RESOURCE INFORMATION

Regulatory Reference: R645-301-321

Analysis:

The application contains no new vegetation information.

Lease stipulation nine requires the lessee to establish a monitoring system to locate, measure and quantify the progressive and final effects of underground mining on the topographic surface, underground and surface hydrology, and vegetation. This is a standard stipulation in federal leases. The applicant intends to take color infrared photographs of the area to document effects of mining on the condition of vegetation resources.

Since no new surface disturbance is proposed, the Division does not require the application to contain additional vegetation information.

Findings:

This portion of the application is considered complete and accurate.

FISH AND WILDLIFE RESOURCE INFORMATION

Regulatory Reference: R645-301-322

Analysis:

The applicant conducted a raptor and bird survey in the Alkali Lease area in May 1995. A map showing the results of the survey is in Appendix 3G. This map shows four golden eagle nests in the area of the incidental boundary change, including two nests that were tended in 1995.

The Division does not anticipate significant effects on other wildlife species, so additional wildlife information is not required. The Utah Division of Wildlife Resources was consulted about the need for further wildlife information for the proposed incidental boundary change area and concurs with the decision not to require more information. The Bureau of Land Management's environmental assessment says it is not likely longwall mining could be justified, and no subsidence is anticipated with room and pillar mining. No subsidence has been detected at two adjacent mines that mine with room and pillar methods.

Soldier Creek's current plan discusses a few candidate threatened or endangered plant species that could occur in the area. Even if there is subsidence, there is virtually no likelihood of subsidence cracks or other surface expressions of subsidence negatively affecting these species. The plants do not grow in areas, such as cliffs, that are particularly susceptible to subsidence damage.

A small portion of the proposed incidental boundary change area includes federal surface land. Therefore, the Division and the Office of Surface Mining need to obtain approval from the Fish and Wildlife Service. However, the Fish and Wildlife Service said in a letter dated September 22, 1995, that they cannot offer comments at this time due to a lack of staff and time. It also says this should not be construed as concurrence. It says they may later provide comments if issues of concern arise or come to their attention. No issues of concern are anticipated; the Division is aware of no threatened or endangered species that could possibly be affected by this proposal. While the Division normally needs concurrence from the Fish and Wildlife Service, the Division wrote the Fish and Wildlife Service on October 30, 1995, saying, ". . . the Division will go forward with the approval of the Alkali Lease Tract, and will show for the record that USFWS was given an opportunity to comment as required by our Cooperative Agreement, but declined to do so."

Findings:

The applicant has complied with the requirements of this regulation.

LAND USE RESOURCE INFORMATION HISTORIC AND ARCHAEOLOGICAL RESOURCES POSTMINING LAND USES AIR QUALITY

Regulatory References: UCA R645-301-411.100; R645-301-411.200, R645-301-411.140, R645-301-412, R645-301-420

Analysis:

A letter accompanying the application says all information in the land use and air quality section of the permit applies to the permit change with the exception of an archaeological survey performed over the entire lease.

Land owners in the proposed incidental boundary change area are the Bureau of Land Management and Louise Iriart. Mrs. Iriart was notified of the potential mining beneath her property and responded by letter dated September 1, 1995. Her letter is included in the application. It says she expects the postmining use of the surface properties to be the same as the current usage, including wildlife habitat, livestock grazing, and big game hunting and other recreational activities.

In 1992, Soldier Creek wrote the Bureau of Land Management and said they anticipate the use of the land following mining to be livestock grazing, wildlife habitat, and recreation. The Bureau of Land Management concurred with the letter by signing and returning it.

The archaeological study of the Alkali Lease concentrated on upper ridges and escarpment crests. Two isolated artifacts were observed. They consisted of chert primary and secondary flakes. The presence of these together with two similar artifacts found nearby suggests the terrain feature may have been used anciently as a transportation corridor linking lower elevations with the Whitmore Park area. However, these items are not considered significant historic or prehistoric resources that could be susceptible to surface subsidence. The Division of State History recommended a determination of "No Historic Properties."

By adding the incidental boundary change to its permit area, Soldier Creek is not proposing to increase the amount of coal it mines. Because of this and because all disturbance will be underground, there are no requirements to change the air quality section of the mining and reclamation plan.

Findings:

Soldier Creek has complied with the requirements of these regulations. Based on the information in the application, the State Historic Preservation Officer has recommended a determination of No Historic Properties.

PERMIT AREA

Regulatory Requirements: 30 CFR Sec. 783.12; R645-301-521.

Analysis:

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995 as part of Amendment 95B. No new surface disturbance resulted from the addition of the Alkali Lease to the permit area.

The entire permit boundary, including the Alkali Lease, is shown on maps designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map. These maps were revised to include the Alkali Lease on March 15, 1995 and August 8, 1995, respectively. Both maps were recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah.

When the Alkali Lease was added to the approved plan in 1995, the permittee revised only Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map to show its extended boundaries. The permittee and the Division agreed that the rest of the maps in the approved plan did not have to be revised at that time to include the Alkali Lease, but that the permittee should instead make the necessary revisions in the rest of the maps during the next 5-year permit renewal in late 1996 and early 1997. This the permittee committed to do on page 5-4 of the plan and in a September 13, 1995 letter which accompanied the Amendment 95B application package.

Findings:

The plan fulfills the requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION

Regulatory Reference: 30 CFR Sec. 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

Analysis:

Affected Area Boundary Maps

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to extend the area of subsurface disturbance due to coal mining to include approximately 276 acres in the southeast corner of the Alkali Lease. Both the Alkali Lease and the IBC were included in the approved plan as a single amendment--Amendment 95B. No new surface disturbance resulted from the addition of either the Alkali Lease or the IBC.

The entire permit boundary, including the Alkali Lease, plus the additional subsurface disturbed area in the 1995 IBC, are shown on maps designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map. These maps were revised to include the Alkali Lease and the 1995 IBC on March 15, 1995 and August 8, 1995, respectively. Both maps were recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah.

When the Alkali Lease and the IBC were added to the approved plan in 1995, the permittee revised only Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map to show those new features. The permittee and the Division agreed that the rest of the maps in the approved plan did not have to be revised at that time to include the Alkali Lease and the IBC, but that the permittee should instead make the necessary revisions in the rest of the maps during the next 5-year permit renewal in late 1996 and early 1997.

Coal Resource and Geologic Information Maps

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to include, as part of the coal mining operation, approximately 276 acres in the southeast corner of the Alkali Lease.

Since the Alkali Lease lies adjacent to the existing permit area, the permittee analyzed the coal resource and geology of the Alkali Lease long before applying to extend the coal mining operation into the area. Thus, when the Alkali Lease and the IBC were added to the approved plan as Amendment 95B, the maps in the approved plan already contained this information and it was, therefore, unnecessary that the permittee revise those maps.

The depth and thickness of the Rock Canyon Seam are shown by isopach on the map designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan. This map was revised on March 15, 1995 to include this additional information on the coal seam within the Alkali Lease. The map was recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah. Additional coal resource and geologic information is included in the plan as Appendix 1A, which contains BLM's Environmental Assessment (EA) of the Alkali Lease area.

The coal in the Alkali Lease and the 1995 IBC is in 2 minable seams--the Rock Canyon Seam and the Gilson Seam. However, because of the thin interburden between these seams, only the Rock Canyon Seam will be mined.

The Alkali Lease contains approximately 35.4 million tons of in-place coal. Using existing room-and-pillar mining methods, the permittee expects to be able to recover approximately 18 million tons, or just over 50%, of this in-place coal. This recovery rate is approximately that of the existing operation.

Mine Workings Maps

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to include, as part of the coal mining operation, approximately 276 acres in the southeast corner of the Alkali Lease.

The location and extent of all existing and anticipated mine workings within the original permit area, within the Alkali Lease, and in all the adjacent area, are shown on the map designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan. This map was revised on March 15, 1995 to include all anticipated mine workings within the Alkali Lease. The map was recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah.

When the Alkali Lease and the IBC were added to the approved plan in 1995, the permittee revised only Exhibit 5.21-5--Rock Canyon Seam Mine Plan to show the mine workings anticipated within the IBC. The permittee and the Division agreed that the rest of the maps in the approved plan did not have to be revised at that time to show the anticipated mine workings, but that the permittee should instead revise the relevant maps to show the current and anticipated workings during the next 5-year permit renewal in late 1996 and early 1997.

Permit Area Boundary Maps

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. The entire permit boundary, including the Alkali Lease, is shown on maps designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map.

An Incidental Boundary Change (IBC) was made in 1995 to include approximately 276 acres of the Alkali Lease in the coal mining operation. This additional area lies in the southeast corner of the Alkali Lease. The area is shown on maps designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map.

Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map were revised to include the Alkali Lease and the 1995 IBC on March 15,

1995 and August 8, 1995, respectively. Both maps were recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah.

When the Alkali Lease and the IBC were added to the approved plan in 1995, the permittee revised only Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map to show the extended permit boundary. The permittee and the Division agreed that the rest of the maps in the approved plan did not have to be revised at that time to include the Alkali Lease, but that the permittee should instead make the necessary revisions in the rest of the maps during the next 5-year permit renewal in late 1996 and early 1997. This the permittee committed to do on page 5-4 of the plan and in a September 13, 1995 letter which accompanied the Amendment 95B application package.

Findings:

The plan fulfills the requirements of this section.

OPERATION PLAN

FISH AND WILDLIFE PROTECTION

Regulatory Reference: R645-301-333

Analysis:

As discussed under "Fish and Wildlife Resource Information," the Bureau of Land Management does not expect subsidence. Even if subsidence does occur, the potential for damage to most wildlife species is very small.

Subsidence has caused cliff spalling at some mines in Utah. This has resulted in loss of golden eagle nests. The current plan contains a commitment to complete a nesting survey if significant subsidence occurs or is about to occur during the April to July nesting period. If active nests are found, the Division and the Division of Wildlife Resources will be notified so all appropriate actions can be taken.

The commitments in the existing plan are considered sufficient for wildlife in the new lease area. However, additional protection measures or mitigation is probably needed for the current mining and reclamation plan. Wildlife Resources has not completed its review and made its recommendations about the amendment. However, they have expressed a need to reduce deer mortality through reducing the speed of trucks and by using habitat enhancement

to lure deer away from the road. At this point, this is not Wildlife Resources' official position.

Findings:

The section of the application is considered complete and accurate. When the Division receives comments from Wildlife Resources, Soldier Creek may need to make some changes to the wildlife protection part of the mining and reclamation plan.

REVEGETATION

Regulatory Reference: R645-301-340

Analysis:

Soldier Creek does not plan any surface disturbance with the proposed incidental boundary change.

Findings:

Soldier Creek has complied with the requirements of this section of the regulations.

COAL RECOVERY

Regulatory Reference: 30 CFR Sec. 817.59; R645-301-522.

Analysis:

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to include, as part of the coal mining operation, approximately 276 acres in the southeast corner of the Alkali Lease.

Since the Alkali Lease lies adjacent to the existing permit area, the permittee analyzed the coal resource and geology of the Alkali Lease long before applying to extend the coal mining operation into the area. Thus, when the Alkali Lease and the IBC were added to the approved plan as Amendment 95B, the maps in the approved plan already contained this information and it was, therefore, unnecessary that the permittee revise those maps.

The location and extent of all anticipated mine workings in the Rock Canyon Seam within the Alkali Lease, including those in the 1995 IBC, are shown on the map designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan. The depth and thickness of the Rock Canyon Seam are also shown by isopach on this map. This map was revised on March 15, 1995 to include this additional information on the coal seam within the Alkali Lease. The map was recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah. Additional information regarding coal recovery is included in the plan as Appendix 1A, which contains BLM's Environmental Assessment (EA) of the Alkali Lease area.

The coal in the Alkali Lease and the 1995 IBC is in 2 minable seams--the Rock Canyon Seam and the Gilson Seam. However, because of the thin interburden between these seams, only the Rock Canyon Seam will be mined.

The Alkali Lease contains approximately 35.4 million tons of in-place coal. Using existing room-and-pillar mining methods, the permittee expects to be able to recover approximately 18 million tons, or just over 50%, of this in-place coal. This recovery rate is approximately that of the existing operation.

In order to insure maximum economic recovery of the coal resource, 43 CFR 3480 requires that the Bureau of Land Management (BLM) approve a Resource Recovery and Protection Plan (R2P2) and a mining plan for all Federal leases. However, the permittee has not yet submitted these to the BLM as required.

Findings:

The plan fulfills the requirements of this section.

SUBSIDENCE CONTROL PLAN

Regulatory Reference: 30 CFR Sec. 784.20, 817.121, 817.122; R645-301-521, -301-525, -301-724.

Analysis:

Subsidence control plan.

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An

Incidental Boundary Change (IBC) was also made in 1995 to include, as part of the coal mining operation, approximately 276 acres in the southeast corner of the Alkali Lease.

At the time of the addition of the Alkali Lease and the IBC in 1995, only first mining was planned for the remainder of that 5-year permit term. For that reason, the permittee anticipated no subsidence of the surface area above the IBC during the rest of the permit term. Based on the extraordinarily deep cover over the Rock Canyon Seam, the integrity and thickness of the strata which overlie the seam, and the permittee's past experience in this area, the Division agreed with this prediction. The subsidence monitoring network was not, therefore, extended at that time to include the IBC. However, on page 5-20 of the plan, the permittee committed to plan and install a subsidence monitoring system in the IBC during the next 5-year permit renewal in late 1996 and early 1997.

Findings:

The plan fulfills the requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Affected area maps.

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to extend the area of subsurface disturbance due to coal mining to include approximately 276 acres in the southeast corner of the Alkali Lease. Both the Alkali Lease and the IBC were included in the approved plan as a single amendment--Amendment 95B. No new surface disturbance resulted from the addition of either the Alkali Lease or the IBC.

The entire permit boundary, including the Alkali Lease, plus the additional subsurface disturbed area in the 1995 IBC, are shown on maps designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map. These maps were revised to include the Alkali Lease and the 1995 IBC on March 15, 1995 and August 8, 1995, respectively. Both maps were recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah.

When the Alkali Lease and the IBC were added to the approved plan in 1995, the permittee revised only Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map to show those new features. The permittee and the Division agreed that the rest of the maps in the approved plan did not have to be revised at that time to include the Alkali Lease and the IBC, but that the permittee should instead make the necessary revisions in the rest of the maps during the next 5-year permit renewal in late 1996 and early 1997.

Mine workings maps.

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to include, as part of the coal mining operation, approximately 276 acres in the southeast corner of the Alkali Lease.

The location and extent of all existing and anticipated mine workings within the original permit area, within the Alkali Lease, and in all the adjacent area, are shown on the map designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan. This map was revised on March 15, 1995 to include all anticipated mine workings within the Alkali Lease. The map was recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah.

When the Alkali Lease and the IBC were added to the approved plan in 1995, the permittee revised only Exhibit 5.21-5--Rock Canyon Seam Mine Plan to show the mine workings anticipated within the IBC. The permittee and the Division agreed that the rest of the maps in the approved plan did not have to be revised at that time to show the anticipated mine workings, but that the permittee should instead revise the relevant maps to show the current and anticipated workings during the next 5-year permit renewal in late 1996 and early 1997.

Monitoring and sample location maps.

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to include, as part of the coal mining operation, approximately 276 acres in the southeast corner of the Alkali Lease.

At the time of the addition of the Alkali Lease and the IBC in 1995, only first mining was planned for the remainder of that 5-year permit term. For that reason, the permittee anticipated no subsidence of the surface area above the IBC during the rest of the permit term. Based on the extraordinarily deep cover over the Rock Canyon Seam, the integrity

and thickness of the strata which overlie the seam, and the permittee's past experience in this area, the Division agreed with this prediction. The subsidence monitoring network was not, therefore, extended at that time to include the IBC. However, on page 5-20 of the plan, the permittee committed to plan and install a subsidence monitoring system in the IBC during the next 5-year permit renewal in late 1996 and early 1997.

Findings:

The plan fulfills the requirements of this section.

RECLAMATION PLAN

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

Analysis:

Affected area boundary maps.

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to extend the area of subsurface disturbance due to coal mining to include approximately 276 acres in the southeast corner of the Alkali Lease. Both the Alkali Lease and the IBC were included in the approved plan as a single amendment--Amendment 95B. No new surface disturbance resulted from the addition of either the Alkali Lease or the IBC.

The entire permit boundary, including the Alkali Lease, plus the additional subsurface disturbed area in the 1995 IBC, are shown on maps designated Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map. These maps were revised to include the Alkali Lease and the 1995 IBC on March 15, 1995 and August 8, 1995, respectively. Both maps were recertified on September 13, 1995 by Barry J. Barnum, a professional engineer licensed and registered in the state of Utah.

When the Alkali Lease and the IBC were added to the approved plan in 1995, the permittee revised only Exhibit 5.21-5--Rock Canyon Seam Mine Plan and Exhibit 1.12-2--Coal Ownership and Lease Map to show those new features. The permittee and the Division agreed that the rest of the maps in the approved plan did not have to be revised at

that time to include the Alkali Lease and the IBC, but that the permittee should instead make the necessary revisions in the rest of the maps during the next 5-year permit renewal in late 1996 and early 1997.

Reclamation monitoring and sampling location maps.

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to include, as part of the coal mining operation, approximately 276 acres in the southeast corner of the Alkali Lease.

At the time of the addition of the Alkali Lease and the IBC in 1995, only first mining was planned for the remainder of that 5-year permit term. For that reason, the permittee anticipated no subsidence of the surface area above the IBC during the rest of the permit term. Based on the extraordinarily deep cover over the Rock Canyon Seam, the integrity and thickness of the strata which overlie the seam, and the permittee's past experience in this area, the Division agreed with this prediction. The subsidence monitoring network was not, therefore, extended at that time to include the IBC. However, on page 5-20 of the plan, the permittee committed to plan and install a subsidence monitoring system in the IBC during the next 5-year permit renewal in late 1996 and early 1997.

Findings:

The plan fulfills the requirements of this section.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of bond amount.

Federal Coal Lease UTU-69635, which is also called the "Alkali Lease" and lies to the west of the original permit area, was added to the approved permit area in 1995. An Incidental Boundary Change (IBC) was also made in 1995 to include, as part of the coal mining operation, approximately 276 acres in the southeast corner of the Alkali Lease.

No new surface disturbance resulted from either the addition of the Alkali Lease or the extension of the coal mining operation into the IBC in 1995. Therefore, it was not

necessary at that time to revise the existing reclamation cost estimate or to increase the reclamation bond.

Findings:

The plan fulfills the requirements of this section.

CUMULATIVE HYDROLOGIC IMPACT ASSESSMENT (CHIA)

The CHIA for the Soldier Canyon Mine is dated February 4, 1987. The proposed Incidental Boundary Change (IBC) is within the boundary of the Cumulative Impact Area (CIA) determined for that CHIA. The irregular western boundary of the IBC was made to correspond with the CIA boundary with the idea that the IBC would be covered by the existing CHIA. The common boundary is a ridge and effects to surface and ground water from the proposed mining in the IBC should not extend outside the CIA. There should be no material damage to the hydrologic balance outside the permit area from the proposed mining in the IBC area.

There are only ephemeral surface drainages and no known springs or seeps within or adjacent to the IBC. The proposed mining will advance entries by room-and-pillar method and there should be no subsidence. This mining activity should create no hydrologic consequences at the surface. Exhibit 5.21-5 shows the mining entries proposed under the IBC request.

The only probable hydrologic consequence of mining coal in this area is interception of perched water in the Blackhawk Formation. When a perched water table is encountered by the coal mines in the Book Cliffs, water flow rapidly diminishes and often ceases soon after the water bearing zone is breached. Water intercepted in this manner in the Soldier Creek Mine is collected in sumps and used for in-mine operations, with excess water discharged into Soldier Creek. The mine was discharging roughly 130 gpm in 1987 when, in addition to water intercepted by mining, water was being pumped to dewater a sealed area where a fire had occurred. From 1988 to 1991 water discharge increased from 259 acre-feet (approximately 160 gpm) to 927 acre-feet (approximately 580 gpm) as the mine intercepted a fracture zone with flowing water. In 1993 the discharge from the mine was down to 528 acre-feet (approximately 330 gpm), and down to approximately 300 gpm in 1994. No appreciable change in the amount of ground water intercepted or discharged should be expected from the proposed mine operations in the area of the IBC.

Before approval can be granted to add the entire Alkali Lease to the permit, the CHIA will need to be modified or redone.

Technical Analysis
Alkali Lease IBC
November 2, 1995
Page 18

Findings:

The application is considered complete and accurate as far as information pertinent to the CHIA is concerned.

ALKIBCTA.SC3



State of Utah

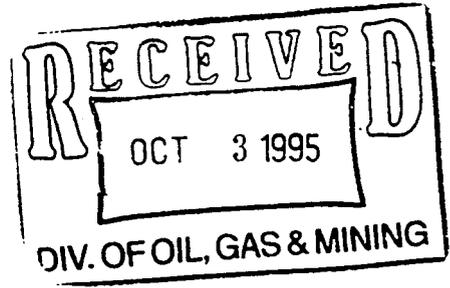


Department of Community & Economic Development
Division of State History
Utah State Historical Society

Michael O. Leavitt
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182
(801) 533-3500 • FAX: 533-3503 • TDD: 533-3502
cehistory.ushs@email.state.ut.us

October 2, 1995



Pamela Grubaugh-Littig
Permit Supervisor
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Incidental Boundary Change (Alkali Lease Tract), Soldier Creek Mine, Soldier Creek Coal Company, ACT/007/018/95-B, Folder #2, Carbon County, Utah

In Reply Please Refer to Case No. M967

*Route to Dawn
Copy Pam*

Dear Ms. Grubaugh-Littig:

The Utah State Historic Preservation Office received the above referenced report on September 27, 1995. After review of the Boundary Change, the Utah Preservation Office has the following comments. Since the plan involves no new ground disturbance and AERC has completed a survey in relation to the project, the Utah Preservation Office recommends a determination of No Historic Properties.

This information is provided on request to assist the Division of Oil, Gas and Mining with its Section 106 responsibilities as specified in 36CFR800. If you have questions, please contact me at (801) 533-3555. My computer address on internet is: jdykman@email.state.ut.us

Your humble servant,

James L. Dykman
Compliance Archaeologist

JLD:I822 OSM/NE



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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 19, 1995

95-09-28-06

Chief of Federal Lands Program
Office of Surface Mining Reclamation and Enforcement
Western Regional Coordinating Center
1999 Broadway, Suite 3320
Denver, CO 80202-5733

Re: Incidental Boundary Change (Alkali Lease Tract), Soldier Creek Mine, Soldier Creek Coal Company, ACT/007/018-95B, Folder #2, Carbon County, Utah

I am enclosing the incidental boundary application for the Soldier Creek Coal Mine. This incidental boundary change ("IBC") is associated with the recently-purchased Alkali Lease Tract (UTU-69635) west of the current mine permit area.

This proposal consists of approximately 276 acres and entails mining from the existing workings and there will be no surface disturbance. Additionally, this proposal is with the currently cumulative hydrologic impact area for the Soldier Creek Mine permit. There have been no springs or stream identified in this area to monitor and there are no water rights.

Please review this information and notify the Division by October 27, 1995 with your comments and/or concurrence. If you have any questions, please call me.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

Enclosure

cc: Mark Bailey, BLM, Price
Max Evans, SHPO
Robert Williams, USFWS
Mark Page, Water Rights, Price
Dave Ariotti, DEQ, Price
Bill Bates, DWR, Price

9-29-95
1 case of for JWC+RWD the
only

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

RECEIVED
SEP 27 1995
DIV. OF OIL, GAS & MINING
BLM
JWC
RWD

IN REPLY REFER TO:
3425
UTU-69635
(UT-923)

SEP 22 1995

CERTIFIED MAIL—Return Receipt Requested

Sage Point Coal Company
c/o Coastal States Energy Co.
175 East 400 South, Suite 800
Salt Lake City, UT 84111

DECISION

:
: Coal Lease
: UTU-69635
:

Lease Issued
Bond Accepted

Pursuant to the lease by application coal sale held July 19, 1995, the bid of Sage Point Coal Company for the Alkali Creek Tract, assigned serial no. UTU-69635, was determined to be the acceptable high bid. Satisfactory evidence of the qualifications and holdings of Sage Point Coal Company have been filed; therefore, coal lease UTU-69635 is hereby issued effective October 1, 1995.

A surety bond of \$2,140,000 was filed in this office September 21, 1995. The name of the surety is St. Paul Fire and Marine Insurance Company, and the surety bond no. is 400JT1129. The bond is hereby accepted, as of October 1, 1995.

/s/ ROBERT LOPEZ

Chief, Branch of Mineral
Leasing Adjudication

Enclosure
Coal Lease UTU-69635

bc: Resource Development Coordinating Committee w/encl.
MMS, Solid Minerals Staff, Denver, CO w/encl.
Price Coal Office w/encl.
Moab District Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-69635

COAL LEASE

PART I. LEASE RIGHTS GRANTED

This lease, entered into by and between the UNITED STATES OF AMERICA, hereinafter called lessor, through the Bureau of Land Management, and
(Name and Address)

Sage Point Coal Company
c/o Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111

hereinafter called lessee, is effective (date) **OCT 01 1995**, for a period of 20 years and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of the 20th lease year and each 10-year period thereafter.

Sec. 1. This lease is issued pursuant and subject to the terms and provisions of the:

- Mineral Lands Leasing Act of 1920, Act of February 25, 1920, as amended, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;
- Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to drill for, mine, extract, remove, or otherwise process and dispose of the coal deposits in, upon, or under the following described lands:

- T. 13 S., R. 11 E., SLM, Utah
- Sec. 1, lots 1-7; lot 8 (for all coal except the Rock Canyon Bed)
- Sec. 10, E2E2;
- Sec. 11, all;
- Sec. 12, W2W2;
- Sec. 13, W2NW, SENW, SW;
- Sec. 14, N2, N2S2, SESE;
- Sec. 15, NENE;
- Sec. 23, N2NENE;
- Sec. 24, N2N2NW.

UTAH STATE OFFICE
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 BUREAU OF LAND MANAGEMENT

containing 2,177.52 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of \$ 3.00/ per acre for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2. (a) PRODUCTION ROYALTIES - The royalty shall be 12 1/2 % per cent of the value of the coal as set forth in the regulations. Royalties are due to lessor the final day of the month succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the lessee, the authorized officer may accept, for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$2,140,000. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 4. DILIGENCE - This lease is subject to the conditions of diligent development and continued operation, except that these conditions are excused when operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The lessor, in the public interest, may suspend the condition of continued operation upon payment of advance royalties in accordance with the regulations in existence at the time of the suspension. Lessee's failure to produce coal in commercial quantities at the end of 10 years shall terminate the lease. Lessee shall submit an operation and reclamation plan pursuant to Section 7 of the Act not later than 3 years after lease issuance.

The lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - Either upon approval by the lessor of the lessee's application or at the direction of the lessor, this lease shall become an LMU or part of an LMU, subject to the provisions set forth in the regulations.

The stipulations established in an LMU approval in effect at the time of LMU approval will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECT - At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall pay when due all taxes legally assessed and levied under the laws of the State or the United States, accord all employees complete freedom of purchase, pay all wages at least twice each month in lawful money of the United States, maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies, and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 15. SPECIAL STIPULATIONS -

Sec. 9. (a) TRANSFER

- This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.
- This lease may be transferred in whole or in part to another public body or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.
- This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) **RELINQUISHMENT** - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities incidental thereto, and reclaim access roads or trails.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Clean Water Act (33 U.S.C. 1252 et. seq.), the Clean Air Act (42 U.S.C. 4274 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et. seq.).

This coal lease is subject to termination if the lessee is determined at the time of issuance to be in noncompliance with Section 2(a)2(A) of the Mineral Leasing Act.

SEE ATTACHED STIPULATIONS

THE UNITED STATES OF AMERICA

Sage Point Coal Company
Company or Lessee Name

Vernor Montensen
(Signature of Lessee)

Executive Vice President
(Title)

September 18, 1995
(Date)

By Bureau of Land Management

Robert Lopez
(Signing Officer)

Chief, Branch of Mineral Leasing Adjudication
(Title)

SEP 22 1995
(Date)

U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and therefore does not require OMB approval.

The following stipulations made part of this lease may be waived or amended with the mutual consent of the lessor and lessee.

1. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this act and are subject to compliance with Office of Surface Mining regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c). The United States Government does not warrant that the entire tract will be susceptible to mining.

2. The permitting of any mining operations on the lease will be subject to the possible designation of any portion of the lease as unsuitable for some or all kinds of surface mining under the regulations of the Department under the Surface Mining Control and Reclamation Act of 1977 (SMCRA) in effect at the time of action on the mine plan permit.

3. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a cultural resource inventory of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural resources.

If significant cultural resources are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the authorized officer who shall evaluate or have evaluated such discoveries and, within 5 working days, shall notify the lessee what action shall be taken with respect to such discoveries.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee.

4. Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the lessee may be required to conduct a paleontological appraisal of the areas to be disturbed. The appraisal shall be conducted by qualified paleontologists and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified paleontological resources.

If paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the lessee shall immediately bring them to the attention of the authorized officer who shall evaluate or have evaluated such discoveries brought to his attention and, within 5 working days, shall notify the lessee what action shall be taken with respect to such discoveries. Paleontological remains of significant scientific interest do not include leaves, ferns, or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee. The cost of salvage of paleontological remains (fossils) shall be borne by the United States.

5. If there is reason to believe that threatened or endangered (T&E) species of plants or animals, or migratory species of high Federal interest occur in the area, the lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. A listing of migratory birds of high Federal interest in Federal coal producing regions is published by the Fish and Wildlife Service, Migratory Bird Management Office, Washington, D.C. The inventory shall be conducted by qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports, and carrying out necessary protective mitigating measures shall be borne by the lessee.

6. The lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data is adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the inter-relationship of the geology, topography, surface hydrology, vegetation, and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

7. Powerlines on the lease area used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

8. The lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities on the lease area. The migration of road surfacing and subsurface materials into streams and water courses shall be prevented.

9. The lessee shall be required to establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

10. Except at specifically approved locations, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: 1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, 2) cause damage to existing surface structures, or 3) damage or alter the flow of perennial streams.

11. In order to avoid surface disturbance on steep canyon slopes and to satisfy the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specifically approved locations.
12. Support facilities, structures, equipment, and similar developments will be removed from the lease area within 2 years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas occupied by such facilities will be stabilized and rehabilitated, drainages reestablished, and the areas returned to a premining land use.
13. The lessee shall be required to pay the value of the royalty on coal left unmined without the authorized officer (AO) approval, which should have been recovered under the approval of a mine plan (Resource Recovery and Protection Plan, [R2P2]) and which would otherwise be lost or left economically inaccessible.
14. The unleased coal in this tract is included in Proposed Legislation cited as the "Utah Public Lands Management Act of 1995" concerning the Designation of BLM Wilderness Lands in Utah. Provisions of the Proposed Act call for the exchange of State and Federal Lands. The State of Utah has designated the unleased coal tract (Alkali Creek) for acquisition by the State. Consummation of the exchange under the Proposed Act may, in the future, allow for the State of Utah to succeed to some or all of the United States interest in this tract.



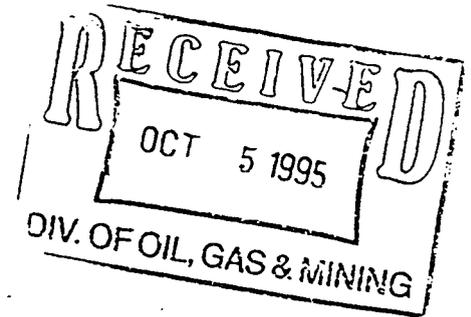
United States Department of the Interior

FISH AND WILDLIFE SERVICE

UTAH FIELD OFFICE
LINCOLN PLAZA
145 EAST 1300 SOUTH, SUITE 404
SALT LAKE CITY, UTAH 84115

In Reply Refer To
(ES)

October 4, 1995



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: Incidental Boundary Change (~~Alkali Lease Tract~~), Soldier Creek Mine, Soldier Creek
Coal Company, ACT/007/018-95B, Folder #2, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

#3 Copy [Signature]

We have received your letter of September 19, 1995. Due to lack of staff and time constraints, the U.S. Fish and Wildlife Service cannot offer comments at this time. This should not be construed as concurrence with the action. Should issues of concern arise or come to our attention, we may provide comments at a later date.

Sincerely,

for Robert D. Williams
Assistant Field Supervisor



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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

October 30, 1995

Robert D. Williams
Assistant Field Supervisor
U.S. Fish and Wildlife Service
Ecological Services
145 East 1300 South, Suite 404
Salt Lake City, Utah 84115

Re: Alkali Lease Tract, Soldier Creek Mine, Soldier Creek Coal Company,
ACT/007/018-95B, Folder #2, Carbon County, Utah

Dear Mr. Williams:

The Division received a response from your agency dated October 4, 1995 that stated "Due to lack of staff and time constraints, the U.S. Fish and Wildlife Service cannot offer comments at this time. This should not be construed as concurrence with the action. Should issues of concern arise or come to our attention, we (USFWS) may provide comments at a later date."

Pursuant to 30 CFR 944.30 Article VI, Section C, Part 2, (the State [Division] / Federal [OSMRE] Cooperative Agreement, attached) ".....DOGM will request all Federal agencies to furnish their findings or any request for additional information to DOGM within 45 days of the date of receipt of the PAP. OSMRE will assist DOGM in obtaining this information, upon request of DOGM." In this case, the Division (DOGM) sent the PAP to USFWS on September 19, 1995, and the 45 days would end on November 3, 1995.

In bringing this part of the Alkali Lease Tract permit process to conclusion, I want to reflect my sensitivity to USFWS's need to prioritize its own workload, while at the same time reflecting the need for the Division to meet its own programmatic mandates with respect to timeliness. Accordingly, the Division will go forward with the approval of the Alkali Lease Tract, and will show for the record that USFWS was given an opportunity to comment as required by our Cooperative Agreement, but USFWS declined to do so.



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

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Salt Lake City, Utah 84180-1203
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801-359-3940 (Fax)
801-538-5319 (TDD)

November 7, 1995

TO: File

FROM: Pamela Grubaugh-Littig, Permit Supervisor *pgl*

RE: AVS Recommendation, Soldier Canyon Mine, Soldier Creek Coal Company, ACT/015/018, Folder #3, Carbon County, Utah

As of the writing of this memo, there is a "conditional issue" recommendation for the Soldier Canyon Mine (see attached AVS recommendation). There are no patterns of violations, unabated violations nor any delinquent fines nor any forfeitures associated with this entity in Utah.

State : UT Permit No : ACT007018

Appl No : ACT007018

Applicant : 089070 (SOLDIER CREEK COAL CO)

Seqno : 0

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

| | | |
|--------------------------------|--------------|----------|
| SYSTEM RECOMMENDATION | : COND ISSUE | 11/07/95 |
| PREVIOUS SYSTEM RECOMMENDATION | : DENY | 05/05/95 |

Records retrieved : 28

| ST | PERMIT | RP ID | SEQ | VTYPE | VIOLNO | VIOLDATE |
|----|---------|--------|-----|-------|--------|----------|
| KY | 0985150 | 079286 | 0 | FORF | | 03/26/85 |
| KY | 0985150 | 079286 | 0 | STCP | 051577 | 05/30/84 |
| KY | 0985150 | 079286 | 0 | STCP | 051582 | 03/17/83 |
| VA | 1100428 | 072619 | 0 | FORF | | 08/30/85 |
| VA | 1100428 | 072619 | 0 | STCO | 857704 | 06/26/85 |

RCM_MNT (F7)

PERMIT/APPL (F8)

REPORTS (F9)

PRV_SCR (F3)

VIOL (F4)

EVOFT (F5)

VOFT (F6)

CHOICES (F10)

■ avsdg

State : UT Permit No : ACT007018 Appl No : ACT007018
Permittee : 089070(SOLDIER CREEK COAL CO) Seqno : 0
licant : 089070(SOLDIER CREEK COAL CO)

SYSTEM : C (COND ISSUE) Date : 08-Nov-1995 Mode : VIEW
Reason: 0 AML, 0 AUD, 0 CMIS, 10 FORF, 18 STATE, 0 NRSP VIOLATION(S)

OSMRE : C (COND ISSUE) Date : 08-Nov-1995 Mode : VIEW
Reason: Condition is based on continued compliance with VA & KY settlement agreements (DF).

SRA : Date : 08-Nov-1995 Mode : UPDATE
Reason:

SAVE (F5) DELETE (F8)
PRV_SCR (F3) QUIT (F4) CHOICES (F10)

■ avsdg

12:35

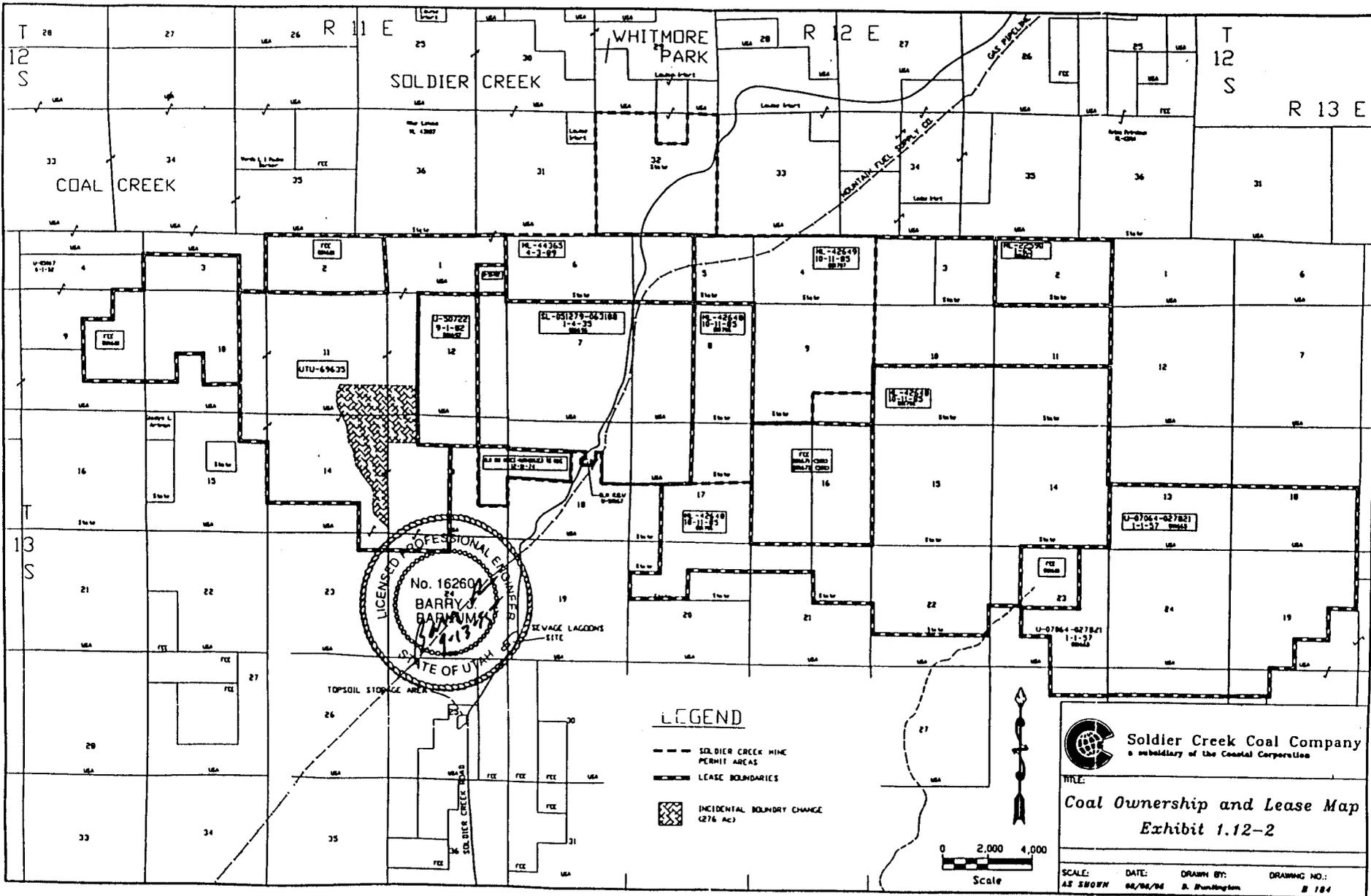


EXHIBIT "B"

**SURETY BOND
(FEDERAL COAL)**

THIS SURETY BOND entered into and by and between the undersigned PERMITTEE, and SURETY company, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (DIVISION), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM) in the penal sum of ^{Three Million Two Hundred} ~~Thirty-eight Thousand~~ \$ 3,238,000 (Surety Bond Amount) for the timely performance of reclamation responsibilities of the permit area described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND will remain in effect until all of the PERMITTEE's reclamation obligation have been met and released by the DIVISION and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, SMCRA, the approved permit and the DIVISION.

The SURETY will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The SURETY and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the DIVISION and OSM from any and all expenses which the DIVISION and OSM may sustain as a result of the PERMITTEE's failure to comply with the condition(s) of the reclamation obligation.

The SURETY will give prompt notice to the PERMITTEE and to the DIVISION and OSM of any notice or action involving insolvency or bankruptcy of the SURETY, or alleging any violations of regulatory requirements which could result in suspension or revocation of the SURETY's license in this state. In the event the Cooperative Agreement between the DIVISION and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the PERMITTEE in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal
this 3rd day of December, 1993.

Soldier Creek Coal Company

PERMITTEE

By: Donald J. Appleman
Title: Donald J. Appleman, Vice President

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal
this 30th day of November, 1993.

Stirling Broadhead
Utah Resident Agent
Stirling Broadhead

United Pacific Insurance Company

SURETY

By: Michelle M. Ulery
Title: Michelle M. Ulery, Attorney-in-Fact

ACCEPTED BY THE STATE OF UTAH
this 7th day of January, 1994.

James W. Carter
James W. Carter, Director
Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

UNITED PACIFIC INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint William N. Burke, Dan W. Burton, Mary C. Jones, Michelle M. Ulary, Karen D. Grammer, individually, of Houston, Texas, its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of suretyship and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKING

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures 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 UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed, this 5 day of April, 1993

UNITED PACIFIC INSURANCE COMPANY

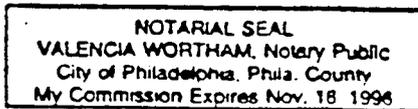
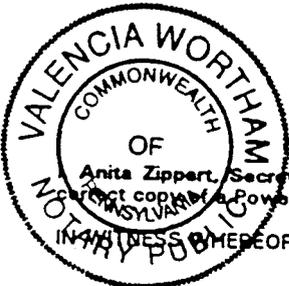


Charles B. Schmalz
Vice President

STATE OF Pennsylvania
COUNTY OF Philadelphia

} ss.

On this 5 day of April, 1993 personally appeared Charles B. Schmalz to me known to be the Vice President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company, and the Resolution, set forth therein, are still in full force.



Valencia Wortham
Notary Public in and for State of Pennsylvania
Residing at Philadelphia

Anita Zippert, Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 30th day of November 19 93



Anita Zippert
Secretary

**AFFIDAVIT OF QUALIFICATION
SURETY COMPANY**

--ooOOoo--

I, Michelle M. Ulery, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Attorney-in-Fact of United Pacific Insurance Company; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

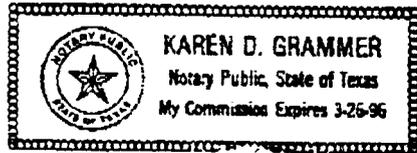
(Signed) Michelle M. Ulery
Surety Company Officer - Position

Subscribed and sworn to before me this 30th day of November, 1993.

Karen D. Grammer
Notary Public

My Commission Expires:

March 26, 19 96.



Attest:

STATE OF Texas)
COUNTY OF Harris)

ss: