

0012



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 14, 1993

R. W. (Reid) Olsen
Vice President and General Manager
Soldier Creek Coal Company
P. O. Box I
Price, Utah 84501

Re: Approval for Transfer of Permit Rights, Elk River Resources to Coastal States Energy Company, Soldier Creek Coal Company, Soldier Canyon Mine, ACT/007/018, Folder #3, Carbon County, Utah

Dear Mr. Olsen:

The Division has found that Coastal States Energy Company has met all requirements for a transfer of permit rights as required under R645-303-300. Therefore, in accordance with the attached findings, the request for transfer of the permit for the Soldier Canyon Mine is hereby approved. The transfer of permit rights will be effective upon the closing of the acquisition agreement between Coastal States and Elk River Resources. Inasmuch as Soldier Creek Coal Company will remain as the permittee, no revised mining permit for the Soldier Canyon Mine will be issued. Coastal States Energy Company and Soldier Creek Coal Company will remain responsible for compliance with the existing permit. The expiration date of this permit is February 3, 1997. Coastal States Energy Company is now responsible for all prior commitments relating to the Soldier Canyon operations transferred from Elk River Resources.

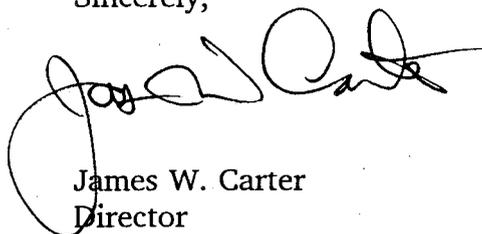
You should now proceed to amend your Mining and Reclamation Plan to reflect the changes. Appropriate replacement pages, including but not limited to the list of corporate officers, surface and coal ownership maps, lease ownership descriptions, should all be updated and submitted for insertion to your mining and reclamation plan (Your application already committed to do this). Please submit twelve (12) copies of



Page 2
R. W. (Reid) Olsen
ACT/007/018
September 14, 1993

the revised MRP information for distribution to other agencies. If you have any questions, please call Daron Haddock, Permit Supervisor at 538-5340.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Carter". The signature is stylized with a large initial "J" and a long horizontal stroke.

James W. Carter
Director

vb

Enclosures

cc: V. Mortensen, Coastal
K. May, SUFCO
R. Dawes, OSM,WSC
R. Hagen, OSM,AFO
L. Braxton
D. Haddock

COASTRAN.SC3

FINDINGS

Transfer of Permit Rights
Coastal States Energy Company
Soldier Creek Coal Company
Soldier Canyon Mine
ACT/007/018
Carbon County, Utah

September 14, 1993

The applicant for transfer of permit rights, Coastal States Energy Company, has committed to continue to conduct the operations involved in full compliance with the terms and conditions of the permit issued to Soldier Creek Coal Company on February 3, 1987 and subsequently renewed on February 3, 1992. Therefore, Findings of the original Decision Document and renewal Decision Document are still pertinent and satisfy the requirements of R645-300-133.

Currently, Coastal States Energy Company has submitted a bond sufficient to cover reclamation costs in the permit area. After this permit transfer has been effected, Coastal States Energy Company will be responsible for the entire area which was under permit by Soldier Creek Coal Company and will assume all liability for compliance with terms and conditions of the Soldier Canyon Mine permit and any orders, stipulations or conditions associated with that permit.

The following findings specifically apply to the application for transfer of permit rights:

1. DOGM's records and the results of a 510{c} clearance check, show that neither Coastal States Energy Company, Soldier Creek Coal Company or any affiliates control or have controlled coal mining and reclamation operations with a demonstrated pattern of willful violations of the Act of such nature and duration and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the Act. At the present time, Coastal States Energy Company does control coal mining and reclamation operations that have current violations, however, all of the violations have been, or are in the process of being, corrected as required by R645-300-132.
2. The State of Utah, DOGM has determined that the application for transfer of permit rights is accurate and complete, and complies with the requirements of R645-300-133.100.

3. The applicant will have the legal right to enter and begin coal mining activities at the Soldier Canyon Mine upon closing of the acquisition agreement between Coastal States Energy and Elk River Resources, Inc. to be executed September 15, 1993. (R645-300-133.300)
4. Coastal States Energy Company and Soldier Creek Coal Company have paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR part 870. (R645-300-133.730)
5. Procedures for public participation have complied with requirements of the Act and the Utah State Program. Notice was published in the Price Sun Advocate on August 12, 1993 as required by R645-303-322. No comments were received.
6. The applicant has obtained a performance bond equivalent to the bonding requirements of the original permit, in the amount of \$522,592.00 (R645-303-342).



Permit Supervisor



Associate Director, Mining



Director



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 14, 1993

R. W. (Reid) Olsen
Vice President and General Manager
Soldier Creek Coal Company
P. O. Box I
Price, Utah 84501

Re: Approval for Transfer of Permit Rights, Elk River Resources to Coastal States Energy Company, Soldier Creek Coal Company, Banning Siding Loadout, ACT/007/034, Folder #3, Carbon County, Utah

Dear Mr. Olsen:

The Division has found that Coastal States Energy Company has met all requirements for a transfer of permit rights as required under R645-303-300. Therefore, in accordance with the attached findings, the request for transfer of the permit for the Banning Siding Loadout is hereby approved. The transfer of permit rights will be effective upon the closing of the acquisition agreement between Coastal States and Elk River Resources. Inasmuch as Soldier Creek Coal Company will remain as the permittee, no revised mining permit for the Banning Loadout will be issued. Coastal States Energy Company and Soldier Creek Coal Company will remain responsible for compliance with the existing permit. The expiration date of this permit is October 25, 1993. Coastal States Energy Company is now responsible for all prior commitments relating to the Banning Siding operations transferred from Elk River Resources.

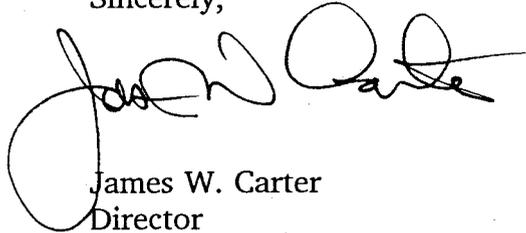
You should now proceed to amend your Mining and Reclamation Plan to reflect the changes. Appropriate replacement pages, including but not limited to the list of corporate officers, surface and coal ownership maps, lease ownership descriptions, should all be updated and submitted for insertion to your mining and reclamation plan (Your application already committed to do this). Please submit twelve (12) copies of



Page 2
R. W. (Reid) Olsen
ACT/007/034
September 14, 1993

the revised MRP information for distribution to other agencies. If you have any questions, please call Daron Haddock, Permit Supervisor at 538-5340.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Carter". The signature is fluid and cursive, with a large initial "J" and "C".

James W. Carter
Director

vb

Enclosures

cc: V. Mortensen, Coastal
K. May, SUFCO
R. Hagen, OSM,AFO
R. Dawes, OSM,WSC
L. Braxton
D. Haddock
COASTRAN.BAN

FINDINGS

Transfer of Permit Rights
Coastal States Energy Company
Soldier Creek Coal Company
Banning Siding Loadout
ACT/007/034
Carbon County, Utah

September 14, 1993

The applicant for transfer of permit rights, Coastal States Energy Company, has committed to continue to conduct the operations involved in full compliance with the terms and conditions of the Banning Siding permit issued to Soldier Creek Coal Company on October 24, 1988. Therefore, Findings of the original Decision Document are still pertinent and satisfy the requirements of R645-300-133.

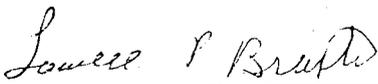
Currently, Coastal States Energy Company has submitted a bond sufficient to cover reclamation costs in the permit area. After this permit transfer has been effected, Coastal States Energy Company will be responsible for the entire area which was under permit by Soldier Creek Coal Company and will assume all liability for compliance with terms and conditions of the Banning Siding Loadout permit and any orders, stipulations or conditions associated with that permit.

The following findings specifically apply to the application for transfer of permit rights:

1. DOGM's records and the results of a 510{c} clearance check, show that neither Coastal States Energy Company, Soldier Creek Coal Company or any affiliates control or have controlled coal mining and reclamation operations with a demonstrated pattern of willful violations of the Act of such nature and duration and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the Act. At the present time, Coastal States Energy Company does control coal mining and reclamation operations that have current violations, however, all of the violations have been, or are in the process of being, corrected as required by R645-300-132.
2. The State of Utah, DOGM has determined that the application for transfer of permit rights is accurate and complete, and complies with the requirements of R645-300-133.100.

3. The applicant will have the legal right to enter and begin coal mining activities at the Banning Siding Loadout upon closing of the acquisition agreement between Coastal States Energy and Elk River Resources, Inc. to be executed September 15, 1993. (R645-300-133.300)
4. Coastal States Energy Company and Soldier Creek Coal Company have paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR part 870. (R645-300-133.730)
5. Procedures for public participation have complied with requirements of the Act and the Utah State Program. Notice was published in the Price Sun Advocate on August 12, 1993 as required by R645-303-322. No comments were received.
6. The applicant has obtained a performance bond equivalent to the bonding requirements of the original permit, in the amount of \$211,000.00 (R645-303-342).


Permit Supervisor


Associate Director, Mining


Director