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

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June 7, 1994

Mr. Keith Zobell
Coastal States Energy Company
P.O. Box 719
Helper, UT 84526

RE: Chapter 1 Violation Information, Soldier Creek Mine, Soldier Creek Coal Company, ACT/007/018, Folder #2, Carbon County, UT

Dear Mr. Zobell:

During the May 31, 1994, inspection, I noted that Chapter 1 was submitted and inserted into the mining and reclamation plan. Reviewing the chapter for responses to deficiencies identified in the March 10, 1994 memo from Paul Baker revealed remaining discrepancies.

On June 3, 1994, I spoke with you about how the outstanding deficiencies could be addressed. You indicated that the letter you received on May 6, 1994, requesting additional copies for transmittal to other agencies and input into AVS, was interpreted to be an approval of the document. The Division recognizes the aforementioned memo may have misled you to believe this was an approval even though an "approval" was not specifically indicated. We apologize for the misunderstanding.

The following information is noteworthy regarding Chapter 1 amendment submittals. The original request for information arose as a stipulation to the permit transfer on September 14, 1994. Subsequent to approval of the Soldier Canyon transfer, the Coastal Corporation was issued a Division Order, on October 22, 1993, to update legal and financial information. The new corporate information has resulted in deficiencies regarding violation and bond forfeiture information.

The following information lists items discussed in our phone conversation to address deficiencies in R645-301-113 (1 and 2 from the May 10, 1994 memo). Further clarification is also included.

1. Submittal of a copy of the settlement agreement between Virginia Iron Coal and Coke Company and the Division of Mined Land Reclamation (signed January 24, 1994) will resolve deficiencies regarding the status of violation items 1, 2, 6, 7 identified in Table 1.13-1.

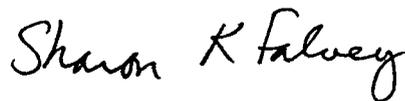


2. Verification of payment for numbers 3, 4, 5, and 8, identified in Table 1.13-1 should be submitted.
3. An AVS check shows additional Federal Violations exist. All violations should be submitted for inclusion in Table 1.13-1 (attached). Clarification of payment or other pertinent information may also be necessary.
4. Information demonstrating disassociation, with the entities for which bond forfeiture is shown, is necessary to clarify the statement indicating no affiliated mines have had a Bond forfeiture (page 1-65). This statement conflicts with the bond forfeiture list submitted on pages 1-75 through 1-81.

The Operator was presented with Mary Gay Fletcher's phone number as a contact person in the state of Virginia to assist in clarification of the identified issues. The information regarding the violation penalty list, and bond forfeiture is included in other Coastal Corporation mines and should be amended accordingly. Presently, those mines may not be cleared of the original Division Order regarding updated legal and financial information.

The Division requests the operator reply to the preceding items three weeks from the date of this memo. Should you need further assistance, please feel free to contact Joe Helfrich or myself at the Division.

Sincerely,



Sharon Falvey
Senior Reclamation Hydrologist

/sf

cc: Joe Helfrich
Daron Haddock
Pam Grubaugh-Littig
Paul Baker

DATE: 07 JUN 94

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:06:08

STATE: UT

APPNO: ACT007005

SEQNO: 0

PAGE: 1 OF 3

APPLICANT'S ENTITY ID: 060111

APPLICANT'S NAME : COASTAL STATES ENERGY CO

VTTYPE	RP	VIOLNO	VDATE
CIVIL	072619	C84-65-2-HR:1100428:0:VA	841204
CIVIL	072619	C85-77-4-AO:1100428:0:VA	850626
CIVIL	072619	C85-77-4-OT:1100428:0:VA	850626
CIVIL	079286	051577:0985150:0:KY	840530
CIVIL	079286	051582:0985150:0:KY	830317
CIVIL	072619	84-65-2-AO:1100428:0:VA	841017
CIVIL	072619	84-65-2-HR:1100428:0:VA	841017
CIVIL	072619	84-65-2-RT:1100428:0:VA	841017
CIVIL	072619	85-77-3-WM:1100428:0:VA	850204
CIVIL	072619	85-77-4-AO:1100428:0:VA	850430

TO VIEW VIOLATIONS OR OFT, SELECT WITH A "X" AND PRESS AN FKEY
F2/PROCEED F3/QUIT F4/MAIN F7/FORW F8/BACK F9/VIOL INFO F10/VOFT

10:09

DATE: 07 JUN 94

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:06:08

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APPNO: ACT007005

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PAGE: 2 OF 3

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CIVIL	072619	85-77-6-WM:1100428:0:VA	850626
CIVIL	072619	85-77-7-SS:1100428:0:VA	850703
CIVIL	058433	87-85-6-WM:1100580:0:VA	870827
CMIS	080833	C90-132-126-7:463.00	900821
FORF	079286	0985150:0:KY	850326
FORF	072619	1100428:0:VA	850830
FORF	058433	1100580:0:VA	880328

F2/PROCEED F3/QUIT F4/MAIN F7/FORW F8/BACK F9/VIOL INFO F10/VOFT

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VTTYPE	RP	VIOLNO	VDATE
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STATE	072619	857704:1100428:0:VA	850626
STATE	058433	878504:1100580:0:VA	870601
STATE	058433	878505:1100580:0:VA	870827

F2/PROCEED F3/QUIT F4/MAIN F7/FORW F8/BACK F9/VIOL INFO F10/VOFT

10:09