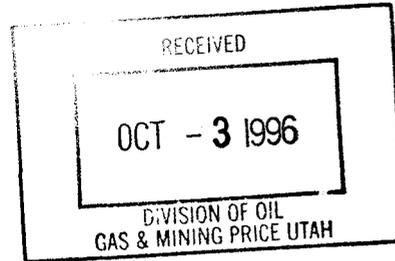




Coastal
The Energy People

October 3, 1996

Peter Hess
Utah Division of Oil, Gas and Mining
Price Field Office
Box 169
Price, Utah 84501



Re: Second Incidental Boundary Change, Soldier Creek Coal Company, ACT/007/018

Dear Mr. Hess:

96A

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Soldier Creek Coal Company hereby requests an additional Incidental Boundary Change in accordance with a discussion held on September 26 between the Division and representatives of Soldier Creek Coal Company. This proposed boundary change is located north of the current Incidental Boundary Change in the Alkali Tract as shown on enclosed Exhibit 1.12-2. Conditions in the existing Incidental Boundary Change (IBC) area do not allow mining to continue as long as projected so additional mining area is needed until the Alkali Significant Revision is approved. The area of this proposed change is within the existing CHIA and consists of approximately 186 acres, which when combined with the approved IBC of 276 acres is 10.8 percent of the original permit area.

Permitting issues dealing with this change are addressed below in the order of the R645-301 Rules.

R645-301-100 General Contents

The approved IBC and the Alkali Significant Revision submittals contain all of the information required by Section 100 for this proposed IBC. By verbal agreement with Daron Haddock two exhibits are herewith submitted showing the area proposed for this IBC - Exhibits 1.12-2 and 5.21-5. When the Alkali Significant Revision is approved within the next 60 to 90 days all of the maps and exhibits which show the Alkali boundary will be approved and will supercede all IBC boundaries.

R645-301-200 Soils

Mining proposed by this IBC will be development mining only so there will be no subsidence related issues. Since there will be no surface disturbance associated with this IBC no additional soils information is required.

Utah Fuel Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P O BOX 719 • HELPER UT 84526-0719 • 801/637-7925 • FAX 801/637-7929 • SALT LAKE 801/596-7111

R645-301-300 Biology

The result of the 1995 raptor survey conducted by the Utah Division of Wildlife Resources (DWR) was included in the previous IBC. DWR conducted a survey of this area in 1996 and the results are shown on enclosed Exhibit 3.10-2.

R645-301-400 Land Use and Air Quality

This proposed IBC will not affect land use or air quality. The archaeology study for this area was previously submitted.

R645-301-500 Engineering

No subsidence monitoring will be required before the Alkali Significant Revision is approved so there are no subsidence related issues with this IBC.

Exhibit 5.21-5 which shows the proposed plan for mining in this IBC is enclosed.

R645-301-600 Geology

The geology of this IBC is the same as for the previous IBC and Alkali Significant Revision.

R645-301-700 Hydrology

The area of this IBC is within the existing CHIA for the Soldier Creek permit so there should be no hydrology issues associated with this IBC.

R645-301-800 Bonding

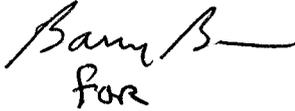
Since there is no surface disturbance or change in mine facilities as a result of this IBC no change to the estimated cost of reclamation is required and therefore no change in the bond amount.

The description of this proposed IBC is as follows:

Beginning at the north east corner of the existing IBC; thence north $0^{\circ} 00' 00''$ west for a distance of 3,720.3 feet; thence north $90^{\circ} 00' 00''$ west for a distance of 1,192.8 feet; thence south $28^{\circ} 00' 00''$ west for a distance of 4,181.6 feet; thence south $89^{\circ} 00' 00''$ east for a distance of 3,163.7 feet to the point of beginning; containing approximately 186 acres.

Thank you for your help with this application and if there are any questions please contact Barry Barnum at 636-2669.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Barry Barnum", with a horizontal line extending to the right from the end of the signature.

Rick Olsen
Vice President and General Manager
Soldier Creek Coal Company

APPLICATION FOR PERMIT CHANGE

Title of Change: **Soldier Creek Coal Company Incidental Boundary Change #2**

Permit Number: **ACT/007/018**

Mine: **Soldier Canyon Mine**

Permittee: **Soldier Creek Coal Company**

Description, include reason for change and timing required to implement: **Conditions in existing IBC require additional mining area pending approval of Alkali Revision**

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? 186 acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Change in the size of the Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Will permit change include operations outside the Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Will permit change include operations in hydrologic basins other than currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does permit change require or include public notice publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Permit change as a result of a Violation?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Permit change as a result of a Division Order? D.O.# _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Permit change as a result of other laws or regulations? Explain: _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Does permit change require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the permit change affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does permit change require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Does permit change require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does permit change require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does permit change require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does permit change require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does permit change require or include certified designs, maps, or calculations?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does permit change require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does permit change require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided or revised for any change in the reclamation plan?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Is this permit change coal exploration activity <input type="checkbox"/> inside <input type="checkbox"/> outside of the permit area?

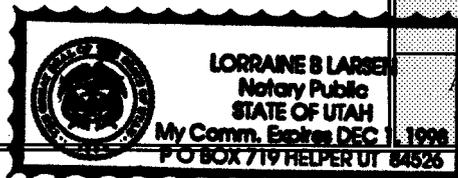
Attach 7 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

ENV. ENG
Barry Barnum, BARRY BARNUM, 10/3/96
 Signed - Name - Position - Date for RICK OLSEN

Subscribed and sworn to before me this 3 day of Oct., 1996.
Lorraine B. Larsen
 Notary Public

My Commission Expires: 12/11, 1998
 Attest: STATE OF Utah
 COUNTY OF Carbon



Received by Oil, Gas & Mining

ASSIGNED PERMIT CHANGE NUMBER

