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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

1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

June 20, 1997

Rick Olsen, General Manager  
Canyon Fuel Company, LLC  
P.O. Box 1029  
Wellington, Utah 84542

Re: Revised State Permit (Alkali Least Tract - Federal Lease UTU-69635), Canyon Fuel Company, LLC, 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 which includes the remainder of the Alkali Lease Tract (federal lease UTU-69635). This permitting action adds 2472 acres of new lease area (1715 acres in the Alkali Lease and 757 acres of fee lease) and deletes 1160.6 acres (relinquished state coal leases) from the permit.

Please sign both copies of the permit and return one to the Division. You will note that a stipulation is attached requiring Federal Mining Plan approval prior to mining in this area.

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

Very truly yours,

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

James W. Carter  
Director

Enclosures

cc: Ranvir Singh, OSM-WRCC

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

Canyon Fuel Company, LLC  
Soldier Canyon Mine  
Federal Lease UTU-69635  
Alkali Lease Tract  
ACT/007/018  
Carbon County, Utah

June 20, 1997

CONTENTS

- \* Administrative Overview
- \* Location Map
- \* Permitting Chronology
- \* Mine Plan Information Form
- \* Findings
- \* Permit
- \* Technical Analysis, dated June 12, 1997
- \* Cumulative Hydrologic Impact Assessment, dated October 7, 1996
- \* Letters of Concurrence and Consultations
  - State Historic Preservation Office, October 29, 1996
  - Bureau of Land Management, R2P2, September 17, 1996
  - Coal Lease Assignment, UTU-69635, October 1, 1995
  - Fish and Wildlife Service, November 6, 1996 and December 18, 1996
  - Environmental Assessment, dated March 1995 (Prepared by BLM and OSM)
- \* AVS Recommendation, Memo dated June 16, 1997
- \* Determination of Completeness
- \* Publication

## ADMINISTRATIVE OVERVIEW

Canyon Fuel Company, LLC  
Soldier Canyon Mine  
Federal Lease UTU-69635  
Alkali Lease Tract  
ACT/007/018  
Carbon County, Utah

June 20, 1997

### PROPOSAL

Canyon Fuel Company, LLC proposes to add the Alkali Lease UTU-69635, a federal lease as well as two fee parcels to the permit area at the Soldier Canyon Mine. This is a significant revision to the Soldier Canyon Mine permit and requires mining plan approval to mine federal coal.

In addition, this permitting action includes decreasing the permit area by 1160.6 acres. This decrease in the permit area represents two state coal leases that were relinquished in Section 32 and another area in the eastern part of the permit area with state coal and fee surface.

### BACKGROUND

The Mining and Reclamation Plan (MRP) for the Soldier Canyon Mine was originally approved by the Division of Oil, Gas and Mining (DOG M) and the Office of Surface Mining Reclamation and Enforcement (OSM) 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.

In June of 1986 Soldier Creek Coal Company 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 DOGM 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.

Administrative Overview  
Alkali Lease Tract  
Page 2

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. A surface expansion was approved in July 1991. The applicant proposed 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.

On May 14, 1996 an incidental boundary change (IBC-1) received a mining plan approval to allow mining in the Alkali lease (UTU-69635). IBC-1 had been submitted on September 14, 1995 and consisted of 276 acres of the lease and was done to allow SCCC to continue mining while the application for the entire lease was being processed. The entire Alkali Lease application was submitted on May 31, 1996.

SCCC encountered burn in the incidental boundary change and quickly needed to alter their mining sequence. This prompted a second incidental boundary change (IBC-2) application. This second incidental boundary change consisted of 186 acres and was approved on November 5, 1996 by the Division with a mining plan approval on December 19, 1996.

On December 20, 1996 the Soldier Canyon Mine permit was transferred from Soldier Creek Coal Company to Canyon Fuel Company, LLC.

## ANALYSIS

This lease addition is an underground addition 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 Cumulative Hydrologic Impact Assessment (CHIA), which was finalized on October 7, 1996. No adverse impacts to the hydrologic balance will result from this lease tract addition.

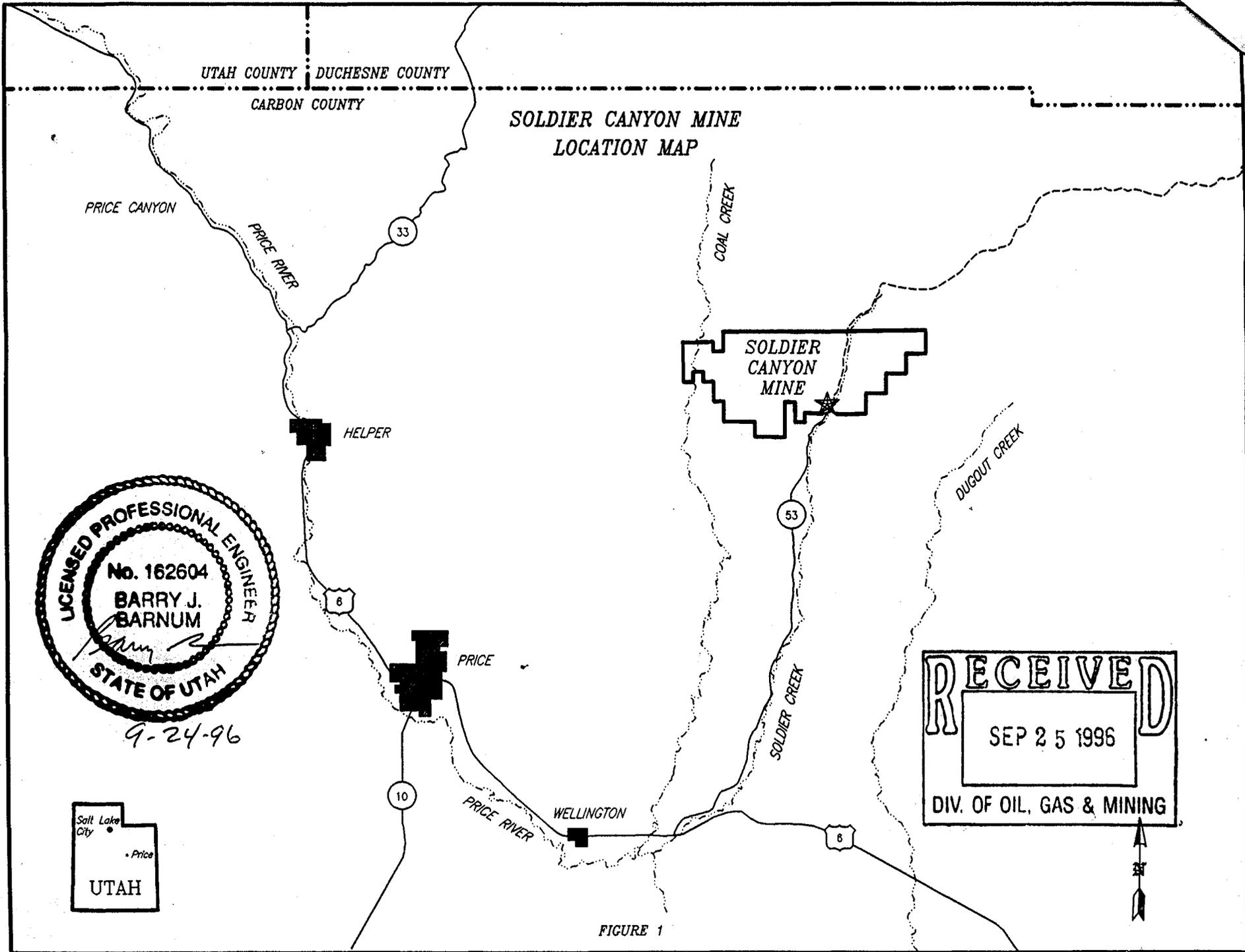
Areas that are being deleted from the permit area (1160.6 acres) include state coal leases that have been relinquished (ML-22675, effective December 28, 1994 and ML-21994, effective July 12, 1995) and areas in the eastern part of the permit area with state coal and fee surface. These areas have not been affected by mining because coal seams are too thin to mine.

#### RECOMMENDATION

Canyon Fuel Company, LLC has demonstrated that increasing the current permit boundary with this lease tract addition can be done in conformance with the Surface Mining Control and Reclamation Act, and the corresponding Utah Act and performance standards. The 510 (c) report on the Applicant Violator System for this mine has a conditional issue recommendation, (see attached memo dated June 16, 1997.)

It is recommended that approval be given for the remaining portions of the Alkali Lease Tract or 1715.52 acres (i.e. 2177.52 acres less the portions that were approved as part of IBC #1 [276 acres] and IBC #2 [186 acres].) as well as the additional fee areas. Mining in the remainder of the Alkali Lease Tract can be authorized when the Secretary signs the mining plan approval.

Additionally, it is recommended that the portions of the permit area where there has been no mining and the state coal leases have been relinquished, be deleted from the permit area, i.e. 1160.6 acres.



## PERMITTING CHRONOLOGY

Canyon Fuel Company, LLC  
Soldier Canyon Mine  
Federal Lease UTU-69635  
Alkali Lease Tract  
ACT/007/018  
Carbon County, Utah

June 20, 1997

September 14, 1995	Incidental boundary change (IBC-1) of the Alkali Lease Tract submitted to the Division for 276 acres.
November 13, 1995	Division approval of IBC-1, pending mining plan approval.
May 14, 1996	Mining plan approval for IBC-1.
May 31, 1996	Alkali Lease Tract application submitted to the Division.
June 3, 1996	This lease tract application transmitted to other agencies.
August 8, 1996	Review sent to applicant outlining the deficiencies.
September 5, 1996	Meeting at the Division with application and permitting staff to discuss the deficiencies.
October 1, 1996	Determination of Administrative Completeness.
October 3, 1996	SCCC applies for IBC-2 to add 186 acres in the Alkali Lease Tract..
October 3, 10, 17, 24 and 31 1996	This federal lease (Alkali Lease Tract - UTU-69635) published in the <u>Sun Advocate</u> for four consecutive weeks.
October 29, 1996	State Historic Preservation Office concurs with this permitting action.
December 2, 1996	Technical Analysis with deficiencies sent to applicant.

Permitting Chronology  
Alkali Lease Tract  
Page 2

- |                   |   |
|-------------------|---|
| December 19, 1996 | IBC #2 for 186 acres mining plan approved.  |
| December 20, 1996 | Permit transferred from Soldier Creek Coal Company to Canyon Fuel Company, LLC.   |
| March 4, 1997     | Canyon Fuel Company, LLC responds to deficiencies for the Alkali Lease Tract addition.  |
| April 15, 1997    | Division completes review of the Canyon Fuel Company, LLC. response and issues a second technical analysis which outlines the remaining deficiencies.                       |
| May 15, 1997      | Canyon Fuel Company, LLC responds to deficiencies.  |
| June 20, 1997     | Division issues Decision Document and revised state permit. This permit conditions mining in the remainder of the Alkali Lease upon obtaining federal mining plan approval. |

MINE PLAN INFORMATION

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

Operator: Canyon Fuel Company, LLC County: Carbon

Controlled By: ARCO Coal 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

State Lease No(s): [ML-21994 -relinquished July 12, 1995]; ML-22675 [relinquished December 28, 1994]; ML-42648(part); ML-42649(part); ML-44365  
 Legal Description(s): ML-42648: T.13S., R12E., Sec8E1/2 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): \_\_\_\_\_

<u>Ownership Data:</u>	<u>Existing Permit Area</u>	<u>Changes to Proposed Permit Area</u>	<u>Total Life Of Mine Area</u>
<u>Surface Resources (acres):</u>			
Federal	<u>594.69</u>	<u>198.37</u>	<u>793.06</u>
State	<u>0</u>	<u>0</u>	<u>0</u>
Private	<u>4715.04</u>	<u>1114.04</u>	<u>5829.08</u>
Other			
<b>TOTAL</b>	<b><u>5309.73</u></b>	<b><u>1312.41</u></b>	<b><u>6622.14</u></b>

Mine Plan Information  
 Alkali Lease Tract  
 Page 2

Coal Ownership (acres):

Federal	<u>2541.68</u>	<u>1715.52</u>	<u>4257.20</u>
State	<u>2755.00</u>	<u>(1160.60)</u>	<u>1594.40</u>
Private	<u>0</u>	<u>757.49</u>	<u>757.49</u>
Other			
TOTAL	<u>5296.68</u>	<u>1312.41</u>	<u>6609.09</u>

<u>Coal Resource Data (Millions Tons)</u>	<u>Total Reserves(million tons)</u>	<u>Total Recoverable Reserves (million tons)</u>
Federal	<u>39.6</u>	<u>15.5</u>
State	<u>57.9</u>	<u>10.9</u>
Private	<u>9.3</u>	<u>2.7</u>
Other		
TOTAL (Life of Mine)	<u>106.8</u>	<u>29.1</u>
Total Percent Recoverable	<u>27.2%</u>	

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

Mine Life: 1976-2011  
 Average Annual Production: 1.2 Million Tons Percent Recovery: 27.2%  
 Date Projected Annual Rate Reached: 1996 - 2010  
 Date Production Begins: 1976 Date Production Ends: 2011  
 Reserves Recoverable By: (1) Surface Mining: None  
 (2) Underground Mining: 29.1 Million 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  
IBC #1  
IBC #2

August 8, 1989  
May 14, 1996  
December 19, 1996

## FINDINGS

Canyon Fuel Company, LLC  
Federal Lease UTU-69635  
Alkali Lease Tract  
Soldier Canyon Mine  
ACT/007/018  
Carbon County, Utah

June 20, 1997

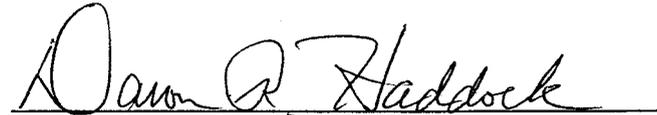
1. The revised plan and the permit application for the extraction of coal in the Alkali Lease Tract is accurate and complete and all requirements of the Surface Mining Control and Reclamation Act, and the approved Utah State Program (the "Act") are in compliance. See Technical Analysis dated June 13, 1997 (R645-300-133.100)
2. No additional surface reclamation is required since the additional permit area will be mined as an underground extension of the existing mine. There will be no new surface facilities. (R645-300-133.710)
3. An assessment of the probable cumulative impacts of all anticipated coal mining and reclamation activities in the general area on the hydrologic balance has been conducted by the Division and no significant impacts were identified. See CHIA dated February 4, 1987 and updated October 7, 1996. The Mining and Reclamation Plan (MRP) proposed under the revised application has been designed to prevent damage to the hydrologic balance in the permit area and in associated off-site area (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 operation (R645-300-133.220);
  - b. not within an area under study for designated land unsuitable for underground coal mining operations (R645-300-133.210);
  - c. not on any lands subject to the prohibitions or limitation of 30 CFR 761.11 {a} (national parks, etc), 761.11{f} (public buildings, etc.) and 761.11 {g} (cemeteries);
  - d. within 100 feet of a public road (R645-300-133.220); and
  - e. not within 300 feet of any occupied dwelling (R645-300-133.220).

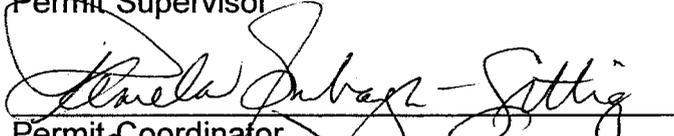
Findings  
Alkali Lease Tract  
Page 2

5. The operation would not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habitats as determined under the Endangered Species Act of 1973. See letter from U.S. Fish and Wildlife Service dated November 6, 1996 (16 USC 1531 et seq.) (R645-300-133.500)
6. The Division's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800). See letter from State Historic Preservation Office, dated October 29, 1996. (R645-300-133.600)
7. The applicant has the legal right to enter and complete mining activities in the Alkali Lease Tract through a federal coal lease issued by the Bureau of Land Management (See attached Lease UTU-69635, assignment effective October 1, 1995. (R645-300-133.300)
8. 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 Canyon Fuel Company, LLC or any affiliated 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 (A 510 (c) report was run on June 16, 1997, see memo to file dated June 16, 1997). (R645-300-133.730)
9. Underground mining operations to be performed under the permit will not be inconsistent with other operations anticipated to be performed in areas adjacent to the proposed permit area.
10. The applicant has posted a surety bond for the Soldier Canyon Mine in the amount of \$3,238,000. No additional surety will be required, since there is no additional surface disturbance proposed. (R645-300-134)
11. No lands designated as prime farmlands or alluvial valley floors occur on the permit area. (R645-302-313.100 and R645-302-321.100)
12. The proposed postmining land-use of the permit area is the same as the pre-mining land use and has been approved by the Division and the surface land management agency.

Findings  
Alkali Lease Tract  
Page 3

- 13. The Division has made all specific approvals required by the Act, the Cooperative Agreement, and the Federal Lands Program.
- 14. All procedures for public participation required by the Act, and the approved Utah State Program are in compliance. The public advertisement was noticed October 3, 10, 17, 24, and 31, 1996. No comments were received. (R645-300-120)
- 15. No existing structures will be used in conjunction with mining of the underground Alkali Lease addition. (R645-300-133.720)

  
Permit Supervisor

  
Permit Coordinator

  
Associate Director of Mining

  
Director

FEDERAL  
June 20, 1997

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801  
(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:

**Canyon Fuel Company, LLC**  
**6955 Union Park Center, Suite 540**  
**Salt Lake City, Utah 84047**  
**(801) 596-7111**

for the Soldier Canyon Mine. Canyon Fuel Company, LLC is the lessee of federal, state and fee-owned property. A performance bond is filed with the DOGM in the amount of \$3,238,000.00, 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.

Sec. 2: PERMIT AREA - The permittee is authorized to conduct coal mining activities on following described lands within the permit area at the Soldier Canyon Mine situated in the state of Utah, Carbon County, and located:

Township 13 South, Range 12 East, SLBM

Section 4: All;  
Section 5: All;  
Section 6: All;  
Section 7: All;  
Section 8: All;  
Section 9: NW1/4;  
Section 17: NW1/4;  
Section 18: N1/2N1/2, SE1/4NE1/4, S1/2NW1/4,  
portions of NE1/4SW1/4NE1/4 and NW1/4SW1/4NE1/4; and  
Section 19: Portions of SW1/4SW1/4.

Township 13 South, Range 11 East, SLBM

- Section 1 : All;
- Section 2: All;
- Section 3: SW1/4,W1/2SE1/4;
- Section 10: N1/2,E1/2SE1/4;NW1/4SE1/4,NW1/4SW1/4;
- Section 11: All;
- Section 12: All;
- Section 13: N1/2NE1/4, W1/2, NE1/4SE1/4, SE1/4NE1/4;
- Section 14: N1/2,N1/2S1/2,SE1/4SE1/4;
- Section 15: NE1/4NE1/4;
- Section 23: N1/2NE1/4NE1/4;
- Section 24: N1/2N1/2NW1/4, portions of SE1/4SE1/4SE1/4; and
- Section 25: Portions of N1/2NW1/4SE1/4 and S1/2SW1/4NE1/4.

This legal description is for the permit area 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 permit expires on February 3, 2002.
- Sec. 5: ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- 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 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.

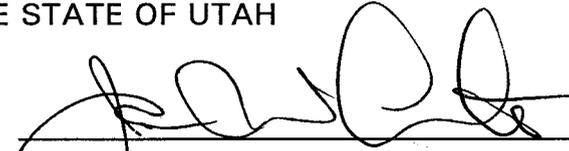
- Sec.11: EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec.12: RECLAMATION FEE PAYMENT - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under 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.

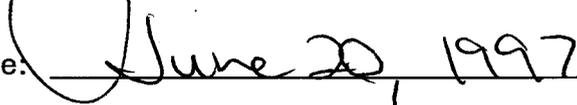
The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time 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: \_\_\_\_\_

A handwritten signature in black ink, appearing to be "John D. ...", written over a horizontal line.

Date: \_\_\_\_\_

The handwritten date "June 20, 1997" written in black ink over a horizontal line.

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

\_\_\_\_\_  
Authorized Representative of the Permittee

Date: \_\_\_\_\_

ATTACHMENT A

SPECIAL CONDITIONS

CONDITION (1) Canyon Fuel Company, LLC can commence mining in the remainder of the Alkali Lease Tract ( i.e. 1715.52 acres that have not already been approved through incidental boundary changes approved May 14, 1996 and December 19, 1996) when the mining plan approval is signed by the Secretary.