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

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May 12, 1994

Mr. William R. Skaggs
Blue Blaze Coal Company
P.O. Box 784
Price, UT 84501

Re: Permitting Requirements for Blue Blaze Coal Mine, Blue Blaze Coal Company, PRO/007/020, Folder #2, Carbon County, Utah

Dear Mr. Skaggs:

In order for this permit to be issued to another entity there are several issues that must be addressed. Although a permit has not been issued, the requirements for a permit transfer (R645-303-310 through R645-303-343) would apply in updating the information for a new entity to assume the permitting for this mine.

There must be current legal and financial information submitted pursuant to R645-301-110 through R645-310-118. This updated ownership and control information would be processed in the Applicant Violator System (AVS) by the Division and a system recommendation to "issue" is required prior to permit issuance.

It will also be necessary to advertise in a newspaper of general circulation for four consecutive weeks, in the locality of the proposed operation, indicating the name and address of the applicant, the permit number or other identifier, and the geographic location of the permit and the address to which comments about the issuance of this permit (see R645-300-120). This publication would be followed by a 30-day comment period. If there are any adverse comments submitted, the Division would follow the rules pursuant to R645-300-122.300 through R645-300-123.400.

An adequate performance bond must be posted and insurance obtained by the entity for this application. Pursuant to my March 17, 1994 letter in regard to the permit stipulations, the responses to the permit stipulations must be submitted for inclusion in the plan and will be evaluated on their merits at that time.



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Stipulation #1 for the permit prepared on May 29, 1992 and never issued, stated that "The applicant is limited to mining only the non-federal coal within the permit area until a mining plan approval is obtained from the Secretary of the Interior to mine Federal Coal Lease SL-063011". In regard to this federal lease, it is recognized that the logical mining unit (LMU) application was filed April 15, 1992 for the designation of a logical mining unit pertaining to land contained in SL-063011 and fee lands, and that an Application for Suspension of Operations and Production for Federal Lease SL-063011 was filed May 15, 1992. After almost two years, there has been no decision from the BLM as to whether or not this suspension was approved.

It must be also noted that any entity intending to mine in the federal lease will need to first obtain the right-of-entry. To mine the federal lease would include the federal mine plan approval from the Secretary of the Interior and the lease assignment and a Resource Recovery and Protection Plan approved by the Bureau of Land Management.

The timing to process this information is dependent upon the adequacy of the information submitted to the Division. If you have any questions, please call me.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

cc: Lowell P. Braxton
Daron Haddock