

0057

LAW OFFICES OF  
**VAN COTT, BAGLEY, CORNWALL & MCCARTHY**  
 A PROFESSIONAL CORPORATION  
 SUITE 1600  
 50 SOUTH MAIN STREET  
 SALT LAKE CITY, UTAH 84144-0450  
 TELEPHONE (801) 532-3333  
 FACSIMILE (801) 534-0058

DENISE A. DRAGOO

DIRECT DIAL: (801) 237-0465

ADDRESS ALL CORRESPONDENCE TO  
 POST OFFICE BOX 45340  
 84145-0340

June 18, 1997

Director James Carter  
 Utah Division of Oil, Gas & Mining  
 1594 West North Temple, Suite 1210  
 Salt Lake City, Utah 84114-5801

**RE: *Objection to Permit Transfer -- Horizon Coal Corporation; Horizon Coal Mine, Permit No. ACT/007/020, Carbon County, Utah***

Dear Director Carter:

*#2 copy ~~to~~ Mary Ann*

We are responding on behalf of Horizon Coal Corporation ("Horizon") to Robert E. Pierce's objection to the transfer of Permit No. ACT/007/020. By letter received by the Utah Division of Oil, Gas & Mining on June 12, 1997, Mr. Pierce references his alleged interest in the Sweet's Canyon Pond. Horizon entered into an Assignment with Mountain Coal Company ("MCC") dated June 12, 1996 ("Assignment"), which involved a Water Rights Lease and Sale Agreement, dated April 7, 1993, acquiring certain rights of E.E. Pierce in the Sweet's Canyon Pond. This Assignment was ratified by the successors in interest to E.E. Pierce, deceased, under a Ratification and Consent Agreement executed by Agnes K. Pierce and Billy Troy Kennick, effective as of June 18, 1996 ("Ratification Agreement"). Horizon has now determined that it will not use the Sweet's Canyon Pond; therefore, it will be terminating the Ratification Agreement.

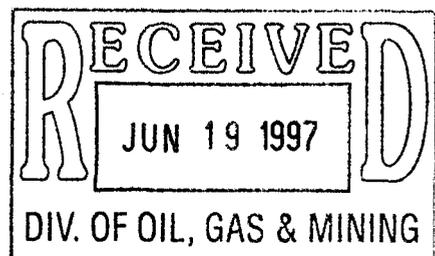
By letter dated June 16, 1997, Horizon notified the Division of this decision and submitted an Application for Permit Change, enclosed. Mr. Pierce's objection to the permit transfer is not valid in that Horizon does not intend to use the land on which the Sweet's Canyon Pond resides in connection with Horizon's permit. Under the circumstances, the Division should proceed with approval of the transfer consistent with R645-308-340.

Please let me know if you need anything further regarding this matter.

Very truly yours,

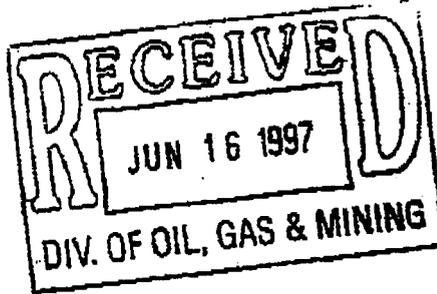


Denise A. Dragoo



DAD:jmc:1404567  
 Enclosure

- cc: Mary Ann Wright  
 Pamela Grubaugh-Littig  
 Todd Kiscaden  
 Larry Jones  
 Mike Gipson  
 Vicky Bailey

**EarthFax**

EarthFax  
Engineering Inc.  
Engineers/Scientists  
7324 So. Union Park Ave.  
Suite 100  
Midvale, Utah 84047  
Telephone 801-561-1555  
Fax 801-561-1861

June 16, 1997

Mr. Joe Helfrich  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

**Subject:** Horizon Coal Corporation response to "Attachment A, Special Conditions to Permit Approval", Division Order 96A and updated data addressing current mine conditions.

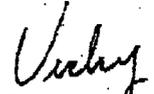
Dear Joe,

Upon a request by Horizon Coal Corporation, please find enclosed 3 copies of changes to the Horizon Coal Corporation permit. These changes cover a variety of issues as described in the "Subject Line" above and Form C2.

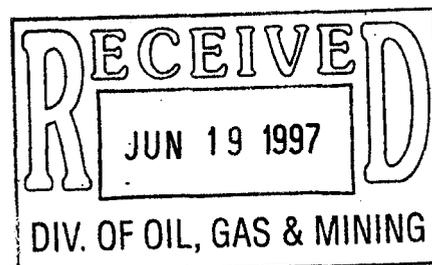
Horizon Coal Corporation is in the process of changing the point of diversion for the spring on Agnes Pierce's property, due to complications with ownership of the land, Sweets Pond, and the water rights within the pond. Therefore several requests for information under "Division Order 96A" no longer need to be addressed. Horizon will be glad to discuss the details concerning the pipe line and pond. Mark Page of Water Rights has been contacted and consulted concerning the change in the point of diversion.

If you have any questions please contact me at (801) 561-1555.

Sincerely yours,

  
Vicky S. Bailey

cc: Bill Malensick



## Application for Permit Change Detailed Schedule of Changes to the Permit

Title of Change: Horizon Coal Corporation response to "Attachment A, Special Conditions to Permit Approval", Division Order 96A, and updated data addressing current mine conditions.

Permit Number: ACT/007/020

Mine: Horizon Mine

Permittee: Horizon Coal Corporation

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit change. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the exiting mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3, Text, Tables, Figures, Table of Contents
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 3-1, add "Road Opening Permit - Carbon County" to appendix
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plates 3-1, 3-7, and 3-8
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7, Text, Tables, Figures, Table of Contents
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Appendix 7-4
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plates 7-1, 7-7A
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Plate 7-6A
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 10
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	

**Division Order 96A**

R645-301-333-300 - See Section 10.4, guidelines were requested but never received by Horizon.

Addition to Appendix 3-1 enclosed, Carbon County road opening permit is added to appendix.  
Sweets Pond and it's utilities are not going to be used by Horizon. Area will likely be reclaimed by ARCO.

R645-301-411/412 - Sweets Pond and it's utilities are not going to be used by Horizon, therefore land use determinations were not made since it will likely be reclaimed by ARCO. Refer to Section 3.2.3 and 3.2.5 for discussion.

R645-301-512 - Plate 3-8 has been certified and revised.

**Special Conditions to Permit Approval**

R645-301-120 - Plate 7-1 has been revised.

R645-301-121.200 - Table 3-4 has been resubmitted.

R645-301-352 - Text has been revised.

R645-301-353 - Refer to Plate 3-7, Figures 7-12, 7-12A, Section 7.2.3

R645-301-731 - Refer to Section 7.1.5

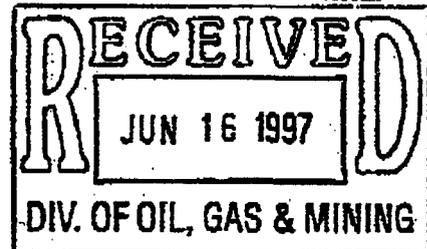
R645-301-731.121 - Refer to Plate 7-6A, details will be added to Plate 7-6 once design has been approved.

R645-301-742 - Refer to Plate 7-7A and Section 3.5.4. Also see Section 7.2.3.2.

R645-301-742.240 - Refer to Sections 7.2.3 and 3.2.3.

R645-301-742.300 - Refer to Plate 3.7.

R645-301-742.322 - Refer to Appendix 7-4 and Section 7.2.3.2.



June 16, 1997