



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

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

BC:

MAW  
Aaron  
Joe

March 31, 1999

Denise Dragoo, Resident Agent  
Horizon Mining, LLC  
c/o Snell & Wilmer  
111 East Broadway, Suite 900  
Salt Lake City, Utah 84111

Re: Clarification Letter, Response to March 23, 1999 Letter, Horizon Mining, LLC, Horizon Mine, ACT/007/020, Folder #2, Carbon County, Utah

Dear Ms. Dragoo:

I appreciate your letter dated March 23, 1999 and clarification about mining within the right of way (ROW).

This ROW (UTU-73227) was approved by the BLM on April 23, 1996. Pursuant to this ROW, Stipulation 10 states, "This instrument shall terminate upon issuance of a federal coal lease to the holder", and Stipulation 15 states, "The holder shall be subject to the Surface Mining Control and Reclamation Act of 1977 (30 USC, 1201 et seq, as well as the Utah Coal Mine Reclamation Act of 1978)(UCA 40-10-1 et seq) in the removal of all coal within the ROW as required in 43 CFR 3431.2.

Coal Lease UTU-74804 was issued, effective September 1, 1998. Stipulation #1 states: "In accordance with Sec. 523 (b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this act and are subject to compliance with Office of Surface Mining regulations or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523 (c). The United State Government does not warrant that the entire tract will be susceptible to mining."

According to 30 CFR, 746.11 (a), "No person shall conduct surface coal mining and reclamation operations on lands containing "leased" federal coal until the Secretary has approved the mining plan." Quite simply, this means a mining plan approval is required for mining in federal lease UTU-74804.

If you have any questions, please call me.

Sincerely,

Pamela Grubaugh-Littig  
Permit Supervisor

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cc: Alan Rabinoff, BLM  
Ranvir Singh, OSM  
Steve Falk, BLM, Price

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