

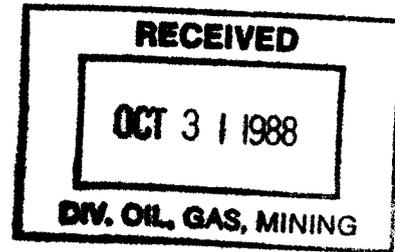
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File ACT/007/034 # 3

FEDERAL
(April 1987)

Permit Number ACT/007/034, October 24, 1988

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340



This permit, ACT/007/034, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Soldier Creek Coal Company
P. O. Box I
Price, Utah 84501
(801) 637-6360

for the Banning Loadout. Soldier Creek Coal Company is the lessee of federal, state and fee-owned property. A performance bond is filed with the DOGM in the amount of \$211,000.00, 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 underground coal mining activities associated with a preparation plant on the following described lands (as shown on the map appended as Attachment B) within the permit area at the Banning Loadout situated in the state of Utah, Carbon County, and located:

Township 15 South, Range 12, East, SLBM

Portions of Sections 15, 16 and 22

This legal description is for the permit area (as shown on Attachment B) of the Banning Loadout. The permittee is authorized to conduct underground coal mining activities connected with a preparation plant 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 PERMIT TERM - This permit becomes effective on October 24, 1988 and expires on October 25, 1993.
- Sec. 4 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 UMC 788.17-.19.
- Sec. 5 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, UMC 840.12, 30 CFR 842.13 and UMC 842.13; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with UMC 842.12 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 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. 7 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. 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. 8 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. 9 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. 10 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. 11 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. 12 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. 13 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. 14 APPEALS - The permittee shall have the right to appeal as provided for under UMC 787.

Sec. 15 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. 1-15) 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:

Date:

Dionna R. Nelson
October 20, 1988

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

R.W. Olsen

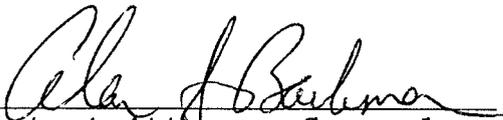
Authorized Representative of
the Permittee

Date:

10/27/88

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APPROVED AS TO FORM:

By: 
Assistant Attorney General

Date: 10-21-88

WPOB84

ATTACHMENT A

STIPULATIONS

Soldier Creek Coal Company
Banning Loadout
ACT/007/034
Carbon County, Utah

Stipulation UMC 817.22-(1) - JSL

1. The applicant must implement the described test plot program by the end of fall 1988. The applicant must notify the Division one (1) week in advance of the test plot implementation.

Stipulation UMC 817.43-(1) - MMD

1. Within 30 days of permit issuance, the applicant must submit an adequate culvert design to the Division for the culverts at the north and south gates of the access road. This design must demonstrate that the existing culverts will safely pass the 10 year - 24 hour precipitation runoff. The exact location and size of these culverts, including an identification label, must be depicted on an appropriate map and included in the proposal.

Stipulation UMC 817.46-(1) - MMD

1. The applicant must install 34 inch anti-seep collars on the primary spillway of the sedimentation pond. The submittal of certified as-built drawings must correct the collar size discrepancy found in Appendix II of the MRP (page 30 and Exhibit 5.2-3).

Stipulation UMC 817.52-(1) - RPS

1. Within 30 days of permit approval, the applicant shall submit to the Division a revision for section 5.3.2. The revision must include a commitment to submit quarterly coal quality samples for a period of one year.

Stipulation UMC 817.53-(1) - RPS

1. Within 30 days of permit approval, the applicant must submit specifications for the plugging of the water well. These specifications must conform to the requirements outlined in the document entitled "Administrative Rules for Water Well Drillers, State of Utah, 1985".

Stipulation UMC 817.103-(1) - JRH

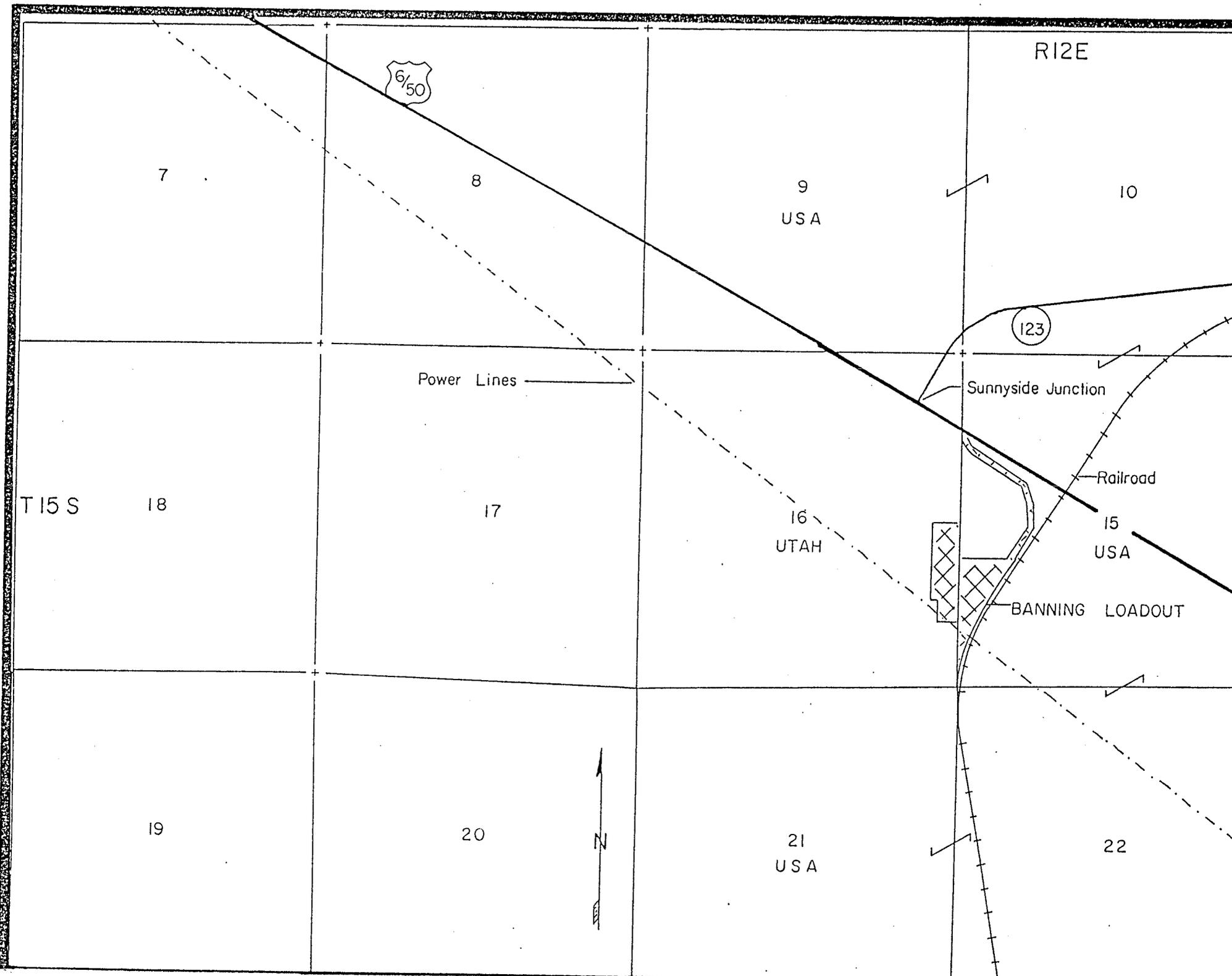
1. Within 30 days of permit approval, the operator shall commit to notify the Division 30 days prior to transporting coal, coal waste, or sediment pond waste to the Soldier Canyon Mine. The notification shall include the estimated quantity of material to be transported and the final location and disposition of the material for permanent disposal at the mine site.

Stipulations UMC 817.116-(1) - LK

1. Within 30 days of permit approval, the operator will submit a quantitative monitoring plan for the test plot for review and approval. This plan must identify appropriate parameters to be sampled and the sampling schedule.

Stipulation UMC 817.133-(1) - LK

1. Within 90 days of permit approval, the applicant will provide DOGM with plans for the final disposition of fences associated with the facilities and haul road. Evidence showing coordination in developing the plan with the BLM and Utah Division of Wildlife Resources as well as acceptance by the BLM shall be included in the plan.



R12E

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USA



Power Lines

Sunnyside Junction

Railroad

T15S

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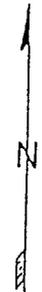
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UTAH

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BANNING LOADOUT

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