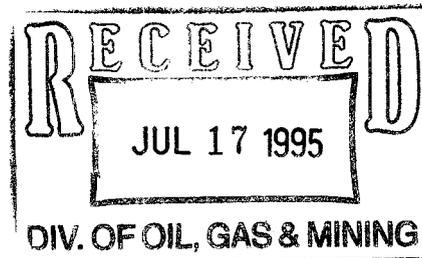




Coastal
The Energy People

July 13, 1995



Mr. Daron R. Haddock
Permit Supervisor
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Copy Daron

Re: Newly Formatted Plan Remaining Deficiencies, Soldier Creek Coal Company Banning Siding Loadout, ACT/007/034-94C, Folder #2, Carbon County, Utah

Dear Mr. Haddock:

We have received your letter of June 19 in which two remaining deficiencies in the Banning permit are described. The following is in response to your letter.

The original deficiency #1 dealt with revegetation success standards. We questioned the need for establishing these standards many years in advance of when they will actually be utilized. We still feel that it is more appropriate to commit to developing these standards when the need is apparent. However, in reevaluation of the regulations and reading between the lines it could be interpreted to require a plan for many things including success standards. We are, therefore, proposing the following to be incorporated into the Banning M&RP: 1) All success standards for final reclamation will be based on comparisons with the appropriate reference area. 2) The standard for success for Diversity, Density and Cover for the reclaimed area will be done by "Ocular Estimation" and the reclaimed area will achieve +/- 15% of that of the reference area. 3) The "Seasonality" is already built into the plan by way of the approved species selection and should be intuitively apparent to the reader of the approved plan (if you do not agree with this then perhaps we need to revise our approved seed species list). 4) Effectiveness is also built into the plan by achieving an acceptable diversity, density and cover similar to the reference area. 5) Success for erosion control will be achieved by using sediment collectors (as designed by Tom Munson, Utah DOGM, 1994) on both the reclaimed area and the reference area. Success will be achieved when sediment from the reclaimed area is equal to or less than that produced by the reference area.

Original deficiency #7 involved the costs and locations associated with the disposal of buildings and coal waste. In section R645-301-541.300 of the permit it states that coal waste ("coal material" or "coal-soil mixture") will be blended with the coal product and shipped to customers. This will result in little, if any, coal waste on site to be reclaimed. It also states that when conveyors and buildings have been demolished the metal will be sold as scrap and the concrete debris will be disposed of in the reclaim tunnel. After the structures have been

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eliminated, any non-metal material gathered during the site clean-up, which would include coal contaminated material or coal waste, if any, which was not shipped with the product, would be disposed of in the reclaim tunnel. The cost of disposing of material on site was included in the estimated cost of reclamation submitted to the Division on May 30, 1995. Revised page A-3 in that submittal contains a cost of \$6.40 per yard for on-site disposal. As stated above, the permit specifies that on-site disposal will take place in the reclaim tunnel. The location of the reclaim tunnel is shown on several maps including Exhibit 5-2. Since the approved permit and the submittal of May 30 address the cost of on-site disposal and the location of on-site disposal we believe this deficiency has been met.

If the above proposed revisions to the permit are approved we will prepare the documents necessary to modify the permit. If there are any questions, please contact Keith Zobell at 636-2643.

Very truly yours,



For  Rick Olsen
Vice President and General Manager,
Soldier Creek Coal Company