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

Michael O. Leavitt
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July 10, 1996

Keith Zobell
Utah Fuel Company
P. O. Box 719
Helper, Utah 84526

Re: Mid-Term Review, Soldier Creek Coal Company, Banning Siding Loadout, ACT/007/034, Folder #3, Carbon County, Utah

Dear Mr. Zobell:

The Division has completed a Mid Term Review of the Banning Siding Loadout facility as required by R645-303-211. The results of the review are discussed in the enclosed memo. Please call if you have any questions.

Sincerely,

Daron R. Haddock
Permit Supervisor

blb
Enclosure
cc: P. Grubaugh-Littig
P. Baker
o:007/034/final/ltr/midtcove.ban

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TO: File

FROM: Daron R. Haddock, Permit Supervisor

RE: Mid-Term Review, Soldier Creek Coal Company, Banning Siding Loadout, ACT/007/034, Folder #3, Carbon County, Utah

SYNOPSIS

The Division has completed a Mid-Term review of the Banning Siding Permit as required by R645-303-211. A reformatted Operation and Reclamation Plan was reviewed and has been approved. The bond has been evaluated and is determined to be adequate to accomplish reclamation. One special condition is attached to the permit which still remains in effect.

DISCUSSION

The Soldier Creek Coal Company Permit for the Banning Siding Loadout was renewed on October 25, 1993, and is effective through October 24, 1998. The renewal was based on an Operation and Reclamation Plan which was formatted to the old UMC/SMC rules and Soldier Creek Coal Company understood that a plan formatted to the new R645 coal Regulations would be needed. The submission of a revised plan occurred through much of 1994 with a number of different submittals until finally a complete reformatted Operation and Reclamation Plan (ORP) was submitted on March 30, 1995. The Division reviewed this plan over the next few months and gave approval for the plan on August 30, 1995, with the submittal of the final copies of the plan. Since the review of this new ORP took place just prior to the date of the Mid-Term review, and since there have been no changes to the Banning ORP, it was determined that the review of the newly formatted plan will suffice for the Mid-Term review.

The Division also reviewed the bond cost estimate at the Banning site in October 1995. It was determined that the bond needed to be increased due to escalation. On October 25, 1995, a Division Order was issued to Soldier Creek Coal Company requiring them to increase the bond to at least $311,275. A Rider was received on December 5, 1995, which increased the bond to $350,000.

There is one special condition attached to the Banning Siding Permit. It reads, "Soldier Creek Coal Company will provide written documentation to the Division, within fourteen (14)

days, of the written resolution of the 'Settlement Agreements', referenced in the December 20, 1994, 510(c) Compliance Review from Pamela Grubaugh-Littig." This condition is not tied directly to the Banning Loadout but is associated to other companies within the Coastal Corporation. This condition is still in effect.

CONCLUSIONS

The Banning Siding Operation and Reclamation Plan has recently been reviewed and approved. There have been no significant changes to the plan since its approval. The performance bond has also been recently reviewed and additional bond has been posted to account for escalation through 1998. The special condition to the permit is still in effect.

The Mid-Term review of the Banning Loadout is hereby considered completed. No action is required at this point unless resolution of the settlement agreements referenced above has occurred.

cc: P. Baker
P. Grubaugh-Littig
L. Braxton
Keith Zobell (Coastal)

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