



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

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Act 1007/035
MINE
File

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Dear Brian and Denise:

Re: Removal of Operating Agreement Condition from Coal Permit

We have reviewed the request of Sunnyside Cogeneration Associates ("SCA") that the Division remove as a permit condition the requirement that SCA enter into an operating agreement with Sunnyside Coal Company ("SCC"). The Division and its counsel agree that the Division is programmatically unable to require SCA to enter into such an agreement as a permit condition. Accordingly, the Division withdraws that condition from the stipulations of SCA's permit and will vacate NOV N-93-40-4-1 issued to SCA on May 6, 1993. We note, however, that in the absence of an approved operating agreement pursuant to Utah Admin. R. 645-301-117.300, the Division must treat the area as jointly permitted and must require both parties to conform to all requirements of the coal regulations.

We hope to submit to both parties next week a letter outlining what the Division would consider necessary in an operating agreement to meet the requirements of Utah Admin. R. 645-301-117.300.

Very truly yours,

James W. Carter
Director

cc: L. Braxton
P. G.-Littig
T. Mitchell, Esq.