

Document Information Form

Mine Number: C/015/002

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From:

Person N/A

Company ~~NA~~

Date Sent: August 13, 1995

Explanation:

Permit Renewal

cc:

File in: C/015, 002, Incoming

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Date _____ For additional information

PERMIT RENEWAL

J.B. King Mine

Western States Minerals Corporation

ACT/015/002

August 13, 1995

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File in:

- Confidential
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Refer to Record No 0009 Date 8-13-95

In C/ 015 , 002 , Incoming
For additional information

PERMIT RENEWAL

Administrative Overview

J.B. King Mine
Western States Minerals Corporation
ACT/015/002

August 13, 1995

Background

The J.B. King Mine is a reclaimed underground coal mine located in Emery County, Utah. Western States Minerals Corporation purchased the J.B. King Mine (formerly known as the Dog Valley Mine) in March 1976. This mine has been in existence since the 1930's and is located approximately 8 miles south of Emery, Utah in the Dog Valley Wash. The mine permanently ceased operation January 15, 1981.

The reclamation of the J.B. King Mine was undertaken in 1985. Phase I bond release became effective May 20, 1986.

The J.B. King mine permit was renewed on August 13, 1990 with three stipulations including Stipulation R614(now R645) - 301-742.113 - "Within 60 days of permit approval, the applicant must submit a plan to provide long term solutions for phasing out silt fences and incorporating more permanent erosion control structures in their place. The plan must identify the structures that will be used and how they will be designed and implemented. This material must be submitted for insertion into the PAP". This stipulation resulted in a violation being issued November 18, 1991.

The attached chronology of the reconfiguration plan outlines the background that led up to the February 18, 1994 decision by Western States Minerals Corporation to submit a reclamation/reconfiguration plan, which was eventually approved and field work began on November 21, 1994. The Division accepted responsibility for the vegetation test plots and paid for the reclamation work at that specific site. Field work was completed on December 22, 1994.

The applicant published notice for the five-year permit renewal for four consecutive weeks in the Emery County Progress ending on June 13, 1995. No comments were received.

Recommendation for Approval

Approval for the five-year permit renewal is recommended.

PERMIT RENEWAL

Chronology

Western States Minerals Corporation
J.B. King Mine
ACT/015/002

August 13, 1995

April 17, 1995	Western States Minerals Corporation submits permit renewal application.
May 1, 1995	Division issues Determination of Completeness.
May 23, 1995	Western States Mineral Corporation initiates public notice for four consecutive weeks.
August 13, 1995	No adverse comments received. Permit renewed.

J. B. KING CHRONOLOGY
VIOLATIONS
RECONFIGURATION PLAN

October 11, 1988 TDN X88-02-107-10 TV-1, issued for "Failure to cover a portion of the coal processing waste (refuse) with a minimum of four feet of best available, non-toxic, non-combustible material and failure to revegetate the same area.

October 19, 1988 Lowell Braxton responds to TDN X88-02-107-109 TV-1 and states that "the TDN covered a 20 foot by 500 foot portion of the test plot, approximately .23 acres." "The test plot and subdivisions thereto was established per the Division's request and WSM is not liable for revegetation success".

November 10, 1988 OSM-AFO determined that the Division response is not arbitrary, capricious, or an abuse of discretion. AFO, however, was "concerned with the methodology utilized by DOGM to relieve reclamation liability for the purpose of conducting a revegetation test program. This matter may be reviewed as a programmatic problem".

August 13, 1990 J.B. King permit renewed with Stipulation R645-301-742.113(TM).

October 12, 1990 Extension to November 12, 1990 granted.

November 12, 1990 WSMC submitted plans to install sediment basins with check dam overflow.

December 14, 1990 Division notified WSMC that the installation proposed (equipment used) may restart bond clock.

December 20, 1990 Letter from Frank Filas (WSMC) states disagreement with Division letter of December 14, 1990.

January 25, 1991 Meeting with Frank Filas (WSMC) to discuss restarting bond clock and normal husbandry practices.

February - June 1991 Personnel turnover at WSMC. Division delayed action regarding stipulation response to allow new personnel reasonable amount of time to respond.

June 14, 1991	Division issued letter requiring approval of stipulation by July 15, 1991.
July 19, 1991	WSMC responded, but response demonstrated a misunderstanding of stipulation requirements.
August 15, 1991	In good faith , the Division clarified stipulation and extended time for submittal of an acceptable response to September 16, 1991.
September 10, 1991	Division grants extension until September 30, 1991.
September 30, 1991	WSMC response was that a "schedule" would be submitted on November 16, 1991.
October 9, 1991	Division letter states that stipulation response must be made "as soon as possible."
October 17, 1991	Site visit with WSMC and Division. WSMC agrees to November 1, 1991 deadline.
November 7, 1991	Complete inspection conducted.
November 18, 1991	Violation N91-35-6-1 issued regarding failure to comply with conditions and terms of the permit. Failure to completely address and satisfy the requirements of stipulation R614 (now R645)-301-742.113(TM) in a timely manner. The abatement date was December 18, 1991.
	Violation N91-35-7-1 issued for failure to minimize erosion to the extent possible and failure to minimize erosion off the refuse pile. The abatement date was December 18, 1991.
December 18, 1991	Western States Minerals Corporation (WSMC) responds by letter dated December 17, 1991 (faxed to the Division on December 18, 1991) by stating that WSMC wishes to exercise its legal right of due process and work within the system to perhaps ultimately appeal to the Board.

WSMC requests both an Informal Appeal Conference to appeal the Facts of the Notices of Violation as well as an Informal Assessment Conference to review the proposed penalties by letter dated December 16, 1991 (faxed to the Division on December 18, 1991).

December 19, 1991

Joe Helfrich, Susan White and Pamela Grubaugh-Littig called Mr. Dwight Crossland of WSMC and informed him that he needs to make a formal request for an Informal Conference, request temporary relief, and request an extension of the abatement date.

Violation N91-32-6-1 issued for failure to comply with the terms and conditions of the approved permit. Failure to implement and construct the main feeder ditch and the feeder ditch in accordance with the design criteria specified in the permit. The abatement date was February 20, 1992.

WSMC requests an extension of time for abatement until January 15, 1992 by letter faxed and the Division grants this request until that time.

January 2, 1992

WSMC submits a Petition for Temporary Relief regarding violations N91-32-6-1, N91-35-6-1, and N91-35-7-1 and Stipulation Response R614 (now R645)-301-742.113 by letter dated December 31, 1991(faxed January 2, 1992).

January 8, 1992

Mr. James W. Carter, Chairman, Board of Oil, Gas, and Mining sends a letter to WSMC denying the request for temporary relief and stating that there are two options to consider: 1) Request an Informal Conference by January 15, 1992; or 2) Appeal the violations to the Board by submitting a Petition for Review by January 19, 1992.

January 16, 1992

Telephone conversation with Mr. Dwight Crossland stating that he should request an extension for the abatement period. There was confusion about the Jim

Carter letter and the request for an Informal Conference. Explained to Mr. Crossland about the process. Mr. Crossland stated that he wishes to work within the system and is requesting our guidance as to how to do it properly.

Request for abatement extension until February 15, 1992 granted for violations N91-35-6-1 and N91-35-7-1.

- February 11, 1992 Informal Hearing held.
- March 10, 1992 Findings, Conclusions and Order issued. NOVs N91-35-6-1 and N91-35-7-1 upheld. N91-32-6-1 upheld with modification of required abatement being submission of a complete and adequate plan for design and construction of the feeder ditch and main feeder ditch.
- March 16, 1992 WSMC submits erosion plan.
- April 3, 1992 'A' Team meeting with Director, re: inadequacy of March 16, 1992 erosion plan submittal.
- April 16, 1992 Division sends letter to WSMC, reiterating the need to send adequate erosion control plan and abate violation.
- May 2, 1992 Division meets with WSMC, re: plan. Hansen, Allen & Luce retained to develop erosion control plan.
- May 11, 1992 Extension requested until June 30, 1992 to submit erosion control plan.
- May 22, 1992 Lowell P. Braxton grants extension to June 30, 1992.
- June 19, 1992 Division meets with WSMC and consultant to discuss alternatives. Three viable alternative erosion control plans are discussed.
- June 29, 1992 WSMC letter submitted stating they will retain plan as is and also requested that NOVs be rescinded and bond clock setback nullified.

- June 30, 1992 Division Director called Mr. Dwight Crossland. He stated WSMC still wants to work with Division.
- July 10, 1992 Meeting held with Denise Dragoo and Tony Rampton counsel for WSMC. Dianne Nielson, Lowell Braxton, Tom Mitchell, Joe Helfrich and Pamela Grubaugh-Littig in attendance. WSMC counsel requested more time to "find a solution". A site visit was scheduled for August, 1992. The legal counsel agreed NOT to bring the NOV to the Board during the meeting.
- July 14, 1992 Stipulated Agreement signed by Denise Dragoo, counsel for WSMC, and Tom Mitchell, Assistant Attorney General for State of Utah, DOGM. 1) Abatement period extended pending site visit to review nature of abatement. 2) Site visit scheduled for August 11, 1992. 3) Response letter dated June 29, 1992 is withdrawn. 4) WSMC preserves right to appeal Division's decision regarding NOV's and stipulation.
- July 31, 1992 Letter from Denise Dragoo, counsel for WSMC, proposes "toll agreement" to set abatement date from site visit and reason for extension beyond 90 days.
- August 3, 1992 Letter from Denise Dragoo, counsel for WSMC, commits to submit WSMC's abatement plan within five days of site visit and 90 days to abate NOV's, as well as the reasoning to extend beyond 90 days.
- August 11, 1992 On-site meeting at J.B. King Mine. WSMC representatives: Dwight Crossland, Buzz Gerick, Tom Vere, Barry Barnum (Hansen, Allen & Luce), Anthony Rampton (counsel), and Denise Dragoo (counsel). Division representatives: Dianne Nielson, Lowell Braxton, Tom Mitchell, Joe Helfrich, and Pamela Grubaugh-Littig. It was agreed that Mr. Rampton would contact the Director, Dianne Nielson on August 12, 1992 regarding what WSMC will do.

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J.B. King
Chronology

- August 19, 1992 Letter from Dianne Nielson to Dwight Crossland extends abatement from July 1, 1992 to October 15, 1992. A September 15, 1992 submittal is required for submittal of plans to abate the violations.
- August 24, 1992 Abatements for the three violations are extended, per DRN's August 19, 1992 letter.
- September 15, 1992 The abatement plans are submitted by WSMC.
- September 16, 1992 Meeting held at the Division with Barry Barnum (Hansen, Allen, and Luce), Dianne, Lowell, PGL, Susan, Henry, Jesse, Joe, and Tom Munson to explain basic contents of 9/15/92 WSMC submittal.
- October 23, 1992 Meeting with Dianne and Lowell, and PGL, Susan, Henry, Jesse, and Tom to discuss the adequacy (inadequacies) of 9/15/92 submittal. Told to prepare response memos.
- November 12, 1992 Technical memos stating that 9/15 plan was inadequate are submitted to Dianne and Lowell for review.
- November 20, 1992 Draft letter faxed to Buzz Gerick from Dianne and Lowell.
- November 23, 1992 A Team meets with Dianne and Lowell to discuss draft letter faxed to Buzz Gerick on 11/20/92. Essentially, the letter states that the 9/15 submittal abated some of the violations.
- December 7, 1992 Letter from Dianne sent to WSMC. Violation N91-35-7-1 is determined to be abated. Information as to how to abate violations N91-32-6-1 and N91-35-6-1 is enumerated in the letter.
- January 21, 1993 Meeting with Lowell, Susan, Joe H., Henry, Tom, Pam, Denise Dragoo, Buzz Gerrick, Larry Berg, and Barry Barnum to discuss submittal to address letter of 12/7/92. Response formally submitted.

January 22, 1993 Violations N91-32-6-1 and N91-35-6-1 abatement dates are extended to May 28, 1993.

April 14, 1993 Memo to Lowell Braxton from Pamela Grubaugh-Littig re: technical recommendation of status of violations: N91-32-6-1 may be terminated, N91-35-6-1 may not be terminated.

May 11, 1993 Oversight inspection. Tom Munson and Tom Wright, OSM-AFO.

May 13, 1993 Violation #N93-25-2-1 is issued for not preventing to the extent possible additional contributions of suspended solids to stream flow outside the permit area.

May 14, 1993 Certified copy of TDN X93-020-190-02 TV2, is received. This TDN is issued for "failure to establish a diverse, effective and permanent vegetation cover." Part 2 was reissued under a separate TDN.

May 20, 1993 Violation N91-25-6-1 can be terminated, but additional information must be submitted within 45 days of receipt of letter. (LPB letter sent)

May 21, 1993 Division response to TDN X93-020-190-02 TV1 sent to OSM-AFO.

May 21, 1993 Certified copy of TDN X93-020-190-03 TV2, is received for 1) failure to have an adequate cover of non-toxic, non-combustible material over mine development waste", and 2) "failure to protect and stabilize surface areas by effectively controlling erosion".

May 24, 1993 Memo from John Blake, State Lands to PGL regarding State Lands concern about the "number of rills beginning to develop in the topsoil which cover the spoil pile".

May 27, 1993 Letter received from Buzz Gerick (dated May 24, 1993), requesting an informal hearing on N93-25-2-1.

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J.B. King
Chronology

May 28, 1993 Division response to TDN X93-020-190-03 TV2 sent to OSM-AFO.

June 1, 1993 Response (letter dated May 28, 1993) from OSM-AFO received stating that our TDN response was arbitrary and capricious.

June 4, 1993 Appeal of TDN X93-020-190-02 is faxed to Hord Tipton by LPB.

June 17, 1993 Response to TDN X93-020-190-03 TV2 from OSM-AFO that Division 5/28/93 response was arbitrary and capricious.

June 21, 1993 Informal Hearing for violation N93-25-2-1 and overview of site conditions with Buzz Gerick, Sam Bamberg, Ingrid Hannie, Jim Carter, Tom Munson, Joe Helfrich, PGL, Susan White, Henry Sauer.

June 24, 1993 Letter to Jim Carter from Buzz Gerick to request extension to violation N93-25-2-1. Extension granted to July 6, 1993.

June 28, 1993 Letter from Jim Carter to Bob Hagen regarding course of action of TDN's.

June 30, 1993 Bill Malencik on site with Jim Blackburn to verify if work has been done to abate part 1 of the TDN. Work was done. No violation issued.

July 1, 1993 Memo to file from Tom Munson to document work had been done for the first part of TDN X93-020-190-03 TV2. Violation N93-25-2-1 terminated.

July 8, 1993 Division received material for Violation #N91-35-6-1. Received two days late, okay per LBP.

July 12, 1993 LPB instructs Susan White to correct map that contained some errors. Conference call to Buzz Gerick with Jim

Carter, Tom Munson, Susan White, Henry Sauer and PGL to discuss reconfiguration of site needed. Work to be done on main and feeder ditch channels. Resolution on the ground.

July 13, 1993

Violation N93-25-3-1 is issued for failure to achieve erosional stability.

July 14, 1993

Letter to Buzz Gerick from Jim Carter stating that NOV N93-25-3-1 addresses only the erosional stability issues raised in the TDN concerning the mine refuse pile and the associated fill slope to the south of the pile. Division anticipates WSMC to propose a comprehensive remediation plan to address not only NOV, but also erosion around main and feeder ditches, and the revegetation of the mine site.

July 19, 1993

Violation #N93-25-2-1 is upheld. Violation #N91-32-6-1 is extended to August 12, 1993, date of submittal of plan reconfiguration. Tom Wright (OSM) called Tom Munson and asked about specifics of the abatement for covering refuse. Tom M. told him that Bill Malencik observed that WSMC used silt fence material and built a berm above the gully to divert the flow away from the area. Tom Wright asked if the elevation had been raised, Tom M. told him it had been adequately covered, relied on B. Malencik's judgment.

July 21, 1993

Reconfiguration options faxed to WSMC.

July 28, 1993

Washington response to Division appeal on violation TDN X93-02-190-02 is found to be arbitrary, capricious and abuse of discretion.

August 3, 1993

WSMC faxed vegetation survey information to Jim Carter.

August 5, 1993

Letter to AFO from Jim Carter regarding update on "comprehensive solution" in NOV N93-25-03-01 for TDN X-93-020-190-03.

- August 6, 1993 Corrected Map JBK-1 is submitted to Division. Request for extension to September 10, 1993 for violation #N93-25-3-1.
- August 10-11, 1993 Federal inspection conducted at J.B. King Mine.
- August 12, 1993 NOV N93-25-5-1 is issued regarding vegetation establishment, which allayed issuance of a federal violation for this issue.
- August 25, 1993 Sam Bamberg notifies Division that he will be working on project. Violation N91-35-6-1 is terminated, effective 8/6/93.
- August 26, 1993 Buzz Gerick telephones PGL to outline proposal for reconfiguration. Concrete is not acceptable to Division. WSMC wants to initiate geomorphological configuration of ditch with even widths and depths for feeder and main ditch. Ditches would be concave to duplicate channels in adjacent drainages. Additional material excavated would be used to cover refuse. Physical means will be installed to preclude rills. Installation of intermediate terraces is proposed as well as rock mulch. NOV #N93-25-3-1 is extended to September 30, 1993 by LPB.
- September 30, 1993 Buzz Gerick delivers four copies of the reconfiguration plan to Division. Meeting held to discuss concepts. Part of plan is to request \$38,000 from Division to pay for vegetation plots to be covered.
- November 9, 1993 Review letter sent to WSMC, response due 1/17/94.
- November 10, 1993 Copy of September 30, 1993 submittal sent to OSM-AFO.
- December 30, 1993 Meeting with Lowell, Tom Munson, PGL, Buzz Gerick, Larry Berg, Barry Barnum and Greg Poole (Hansen, Allen and Luce, consultants) to discuss specifics of ditch

- designs. Also reference area, sludge, and refuse were discussed.
- January 5, 1994 Letter from Hansen, Allen and Luce requesting extension to 2/18/94.
- January 7, 1994 PGL telephones Buzz Gerick to request extension letter from WSMC, not consultant.
- January 19, 1994 PGL, Tom, Susan, Henry, Jess, Buzz, Sam Bamberg, and John Blake have a working meeting to discuss specifics of reconfiguration proposal, including references areas, linear coupled transect, testing for refuse, postmining land use, sludge and rock mulch.
- February 2, 1994 PGL telephones Buzz Gerick to notify him that an appendix to the currently approved plan is acceptable. However, it must be identified how other areas of the PAP have been updated and/or superceded. Buzz noted that at a later date, the appendix will become updated pages of the permit.
- February 18, 1994 WSMC submits reclamation/reconfiguration plan.
- April 14, 1994 Division finds the February 18 proposal adequate to approve interim abatement measures required by violation N91-32-6-1, N93-25-3-1, and N93-25-5-1. However, particular issues still need to be addressed. Abatement date extended to 5/19. Division recommends that soil/sludge/rock mulch sampling and analysis proceed as specified in the plan.
- May 10-12, 1994 Drilling contractor at the J.B. King Mine site collecting geotechnical samples.
- May 13, 1994 Soil samples to lab.
- May 17, 1994 Letter to Joe Helfrich from WSMC requesting an extension for 3 violations. Letter also outlines pursuing sewage sludge for reclamation and rock mulch from DOT

source nearby (lease #37912). Intend to accomplish earthwork from 10/1/94 through 11/15/94.

- May 26, 1994 Violation N91-32-6-1, N93-25-3-1, and N93-25-5-1 are extended to 8/20/94 to allow for interim measures as described in request dated 5/17. Interim abatement measure not limited to sampling, analysis and receipt of data by the Division.
- June 2, 1994 Modification to the 2/18/94 reclamation plan are submitted to the Division: 1) replacement pages to address terminology related to stability, surface preparation, and standards on the reconfigures portion of the site, and 2) proposed sampling protocol to sample vegetation patterns in relation to topography and other regional and site specific factors.
- July 6, 1994 PGL called WSMC re: status report. Larry Berg checked with Barry Barnum is regard to the results of the sampling. Barry said they sent the samples to CSU. Results should be back week of July 11.
- July 7, 1994 Larry Berg called PGL to state that report should be submitted week of 7/26, Buzz Gerick on annual leave until that time.
- July 19, 1994 Division sends review of 6/2/94 sampling protocol and revision to the reclamation plan. WSMC must revise plan to provide a vegetative standard by 8/18/94.
- August 1, 1994 PGL called Buzz Gerick to inquire why report was not submitted week of 7/26. He states that report is being prepared and will be submitted 8/20, as outlined in abatement extension of 5/26/94.
- August 22, 1994 Buzz Gerick, Sam Bamberg, and Denise Dragoo submit response to the Division deficiencies. Cover letter requests bond clock status, no liability for test plot area.

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J.B. King
Chronology

August 30, 1994	Violations 91-32-6-1, 93-25-3-1, and 93-25-5-1 are extended to September 23, 1994, per request dated August 23, 1994.
September 16, 1994	Draft response letter from JWC faxed to Buzz Gerick.
September 19, 1994	JWC letter sent to WSMC in response to reclamation test plot questions and bond clock.
October 3, 1994	Finalization of Reclamation Plan Review sent to WSMC.
October 4, 1994	Buzz Gerick and Sam Bamberg meet with Daron Haddock, Susan White and Tom Munson, in re: to "acceptable erosion". LBP letter of 1988 states that Division will accept liability responsibility for test plots.
October 7, 1994	Letter from Buzz Gerick requests extension for violations and field work, proposes to start field work in May 1995.
October 11, 1994	Letter to Buzz Gerick from Robert Probst for approval of land application of biosolids.
October 14, 1994	Division of Water Quality approval of mined land reclamation with biosolids.
October 26, 1994	Letter from Buzz Gerick to Daron Haddock, final request for time extension for reclamation field work.
November 2, 1994	Response to Request for Time Extension to Buzz Gerick from Lowell Braxton. Extended abatement period to November 30, 1994. The Division will review the mining and reclamation plan in early December to determine if the updates required for the NOV abatement have been submitted.
November 10, 1994	Letter from Buzz Gerick to Lowell Braxton in regard to clarification of erosion control measures for refuse pile side slopes; the Division's responsibility for the vegetation test plots; bond clock setback; and reclamation bond requirement.

- November 15, 1994 Violation #N93-25-5-1 is terminated because 1993 vegetation site data provided by the Operator to the Division is sufficient to terminate the violation with no further remedial action required.
- November 16, 1994 Violation 91-32-6-1 and 93-25-3-1 are extended to 11/30/94 per letter of request dated 11/2/94.
- November 17, 1994 Clarification letter from Lowell Braxton in response to November 10, 1994 letter. Erosion Control Measures - the Division agrees with WSMC assessment; Division's responsibility for the vegetation test plots - the Division is willing to reimburse WSMC for all reasonable costs associated with the earthen placement, soil amendments, and reseeding and assumes responsibility for the vegetation plot area as outlined in the October 19, 1988 letter to Robert Hagen from Lowell Braxton; Bond Clock Setback - the Division agrees with WSMC assessment of the issues as long as it is understood that smoothing of the old drainage channels contemplates minimizing the impact to the existing vegetation of the area and excluding parts of the site from bond clock setback may affect how the overall site would be measured in regard to vegetation performance criteria at bond release; Reclamation bond requirement - there will be no increase in the bond for the proposed activity.
- November 17, 1994 Mobilization of equipment at mine site.
- November 21, 1994 Field work begins.
- November 22, 1994 Division field check.
- November 29, 1994 Updated and amended plan submitted for verification to the Division. Division field check.
- December 7, 1994 Division field check.
- December 9, 1994 Violations N91-32-6-1 and N93-25-3-1 are extended to December 30, 1994, per letter of request dated

December 2, 1994 and Associate Director's administrative waiver of R645-400-327 and R645-400-362.

- December 13, 1994 Division field check.
- December 20, 1994 Division field check.
- December 22, 1994 Field work completed.
- January 2, 1995 Letter from Buzz Gerick documenting that field work has been completed. As-Builts will be sent in late January.
- January 10, 1995 Site visit with Buzz Gerick, Daron Haddock, Tom Munson, Henry Sauer, and Susan White.
- January 11, 1995 Violations N91-32-6-1 and N93-25-3-1 are terminated.
- April 12, 1995 Text and partial submittal of reclamation verifications submitted.
- May 2, 1995 Review sent to WSMC.
- August 3, 1995 Submittal of as-builts and all text changes.

JBKING.CRN

PERMIT RENEWAL

Chronology

Western States Minerals Corporation
J.B. King Mine
ACT/015/002

August 13, 1995

April 17, 1995	Western States Minerals Corporation submits permit renewal application.
May 1, 1995	Division issues Determination of Completeness.
May 23, 1995	Western States Mineral Corporation initiates public notice for four consecutive weeks.
August 13, 1995	No adverse comments received. Permit renewed.

FINDINGS

FIVE-YEAR RENEWAL

WESTERN STATES MINERALS CORPORATION
J. B. KING MINE
ACT/015/002
Emery County, Utah

August 13, 1995

1. Application for a permit renewal was made on April 17, 1995 (R645-303.233.100).
2. The terms and conditions of the existing permit are being satisfactorily met (R645-303-233.110).
3. The present coal reclamation operations are in compliance with the environmental protection standards of the State Program (R645-303.233.120).
4. The requested renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on the existing permit area (R645-303-233.130).
5. The permittee has provided evidence of having liability insurance (R645-303-233.140). (Sphere Drake Insurance, SDM 1069.)
6. The permittee has provided evidence that a performance bond is in effect for the operation and will continue in full force and effect for the proposed permit of renewal (R645-303-233.150) (Surety Bond issued by Seaboard Surety Company, #104570 in the amount of \$126,078.)
7. For the most recent permit term, permit changes ordered by the Division and Notices of Violation requiring a permit change have been incorporated into the permit.

FEDERAL

Permit Number
ACT/015/002

August 13, 1995

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/015/002**, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

WESTERN STATES MINERALS CORPORATION
4975 Van Gordon Street
Wheat Ridge, Colorado 80033
(303) 425-7042

for the J. B. King Mine. A performance bond is filed with the Division in the amount of \$126,078, payable to the state of Utah, Division of Oil, Gas and Mining. The Division 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 reclamation activities on the following described lands within the permit area at the J.B. King Mine, situated in the state of Utah, Emery County:

Township 23 South, Range 6 East, SLBM

Sec. 32: SE1/4 NW1/4 (21 acres ± disturbed)

Sec. 33: N1/2 NE1/4 SW1/4 (7 acres ± disturbed)

This legal description is for the permit area of the J.B. King Mine. The permittee is authorized to conduct reclamation activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 PERMIT TERM - This revised permit becomes effective on August 13, 1995, and expires on August 13, 2000.

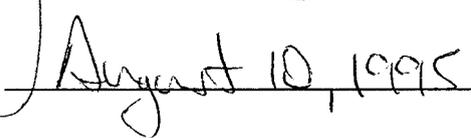
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned, or sold without the approval of the Division Director. Transfer, assignment, or sale of permit rights must be done in accordance with applicable regulations including, but not limited to, 30 CFR 740.13{e} and R614-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division including, but not limited to, inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), 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, R645-400-220, 30 CFR 842.13 and R645-400-120.
 - (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200, when the inspection is in response to an alleged violation reported to the Division by the private person.
- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct reclamation activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:
- (a) any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
 - (b) immediate representation 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. 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 the Division 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 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 11 DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of water or emission 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. 12 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. 13 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. 14 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. 15 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is/are not disturbed, and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by the Division.

Sec. 16 APPEALS - The permittee shall have the right to appeal as provided for under R645-300-200.

The above conditions (Secs. 1-16) 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 the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division 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: 

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

Authorized Representative of the Permittee

Date: _____