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ce P. Draboo
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OF COUNSEL
PETER W. BILLINGS

February 24, 1992

HAND DELIVERED

Dianne R. Nielson, Director
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Five Year Permit Renewal - Hidden Valley Mine

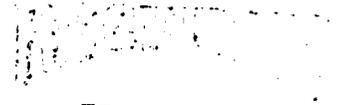
Dear Dr. Nielson:

On behalf of Hidden Valley Coal Company ("Hidden Valley"), we have been requested to submit the enclosed five year renewal permit executed by their authorized representative on February 14, 1992. As you are aware, Hidden Valley is contesting the jurisdiction of the Division to regulate this mine under the Utah Coal Mining and Reclamation Act. This matter is currently scheduled for hearing before the Board on March 25, 1992. In submitting the five year renewal permit, Hidden Valley specifically reserves its right to challenge the Division's jurisdiction in the petition pending before the Board and in any appeal taken therefrom. Submission of the permit renewal should not be construed as a waiver of Hidden Valley's right to a review of this matter.

Please give me a call if you have any questions concerning the permit renewal.

Very truly yours,


Denise A. Drago



FEB 24 1992

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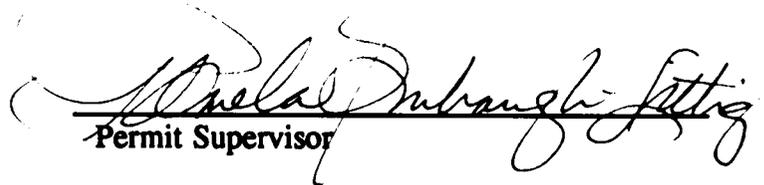
Enclosure

cc: Lee E. Edmonson

CLERK OF COURSE
COURT HOUSE
SALT LAKE CITY, UTAH

FINDINGS
FIVE-YEAR RENEWAL
Hidden Valley Coal Company
Hidden Valley Mine
ACT/015/007
Emery County, Utah
January 30, 1992

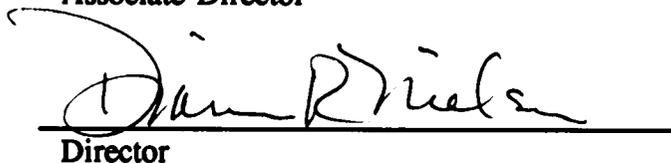
1. The terms and conditions of the existing permit are being satisfactorily met. (R645-303-233.110)
2. The reclamation operations are in compliance with the environmental protection standards of the State Program. (R645-303-233.120)
3. The requested renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas. (R645-303-233.130)
4. The operator has provided evidence of having liability insurance. (R645-303-233.140) (Transportation Insurance Company/Policy Number GL707415956)
5. The operator has provided evidence that a performance bond is in effect for the operation and will continue in full force and effect for the proposed period of renewal. (R645-303-233.150) (Surety Bond/St. Paul Fire and Marine Insurance Company #400-HJ-8041 in the amount of \$68,606)



Permit Supervisor



Associate Director



Director

NON-FEDERAL

**PERMIT
ACT/015/007**

January 30, 1992

**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**

RECEIVED

FEB 24 1992

**DIVISION OF
OIL, GAS & MINING**

This permit, ACT/015/007, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Hidden Valley Coal Company
1801 East University Drive
Phoenix, Arizona 85034
(602) 254-8465**

for the Hidden Valley Mine. A Surety Bond is filed with the Division in the amount of \$68,606, 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 Hidden Valley Mine, situated in the state of Utah, Emery County, and located:

Township 23 South, Range 6 East, SLBM

Section 17: W1/2

Section 18: All

This legal description is for the permit area of the Hidden Valley Mine. The permittee is authorized to conduct reclamation 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 permit becomes effective on January 30, 1992, and expires on January 29, 1997.

- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written 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 R645-303-300.
- 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 R645-400-110;
 - (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 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. 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 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- 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 reclamation operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is 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 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



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

January 30, 1992

Mr. Lee Edmonson
CALMAT Company
Properties Division
1801 East University Drive
Phoenix, Arizona 85034

Dear Mr. Edmonson:

Re: Permit Renewal, Hidden Valley Coal Company, Hidden Valley Mine, ACT/015/007,
Folder #3, Emery County, Utah

Enclosed please find two copies of the permit renewal for the Hidden Valley Mine.
Please sign both copies and return one to the Division.

Best regards,

A handwritten signature in cursive script that reads "Dianne R. Nielson".

Dianne R. Nielson
Director

jbe
Enclosures
cc: L. Braxton
P. Grubaugh-Littig
A:\SDD&TA.HV