



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

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Governor

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December 15, 1995

Cathe Anderson  
St. Paul Fire and Marine Insurance Company  
19900 MacArthur Boulevard, Suite 680  
Irvine, CA. 92715-2445

Re: Replacement Bond Received, Hidden Valley Mine, Consolidation Coal  
Company, ACT/015/007, Folder #4, Carbon County, Utah

Dear Ms. Anderson:

I am enclosing the letter with my signature that acknowledges that Bond #400HJ8041 for the Hidden Valley Coal Company is no longer needed. This bond has been replaced by Seaboard Surety Bond #331474 in the amount \$90,758, effective October 13, 1995.

If you have any questions, please call me.

Sincerely,

A handwritten signature in black ink, reading 'Pamela Grubaugh-Littig'.

Pamela Grubaugh-Littig  
Permit Supervisor

Enclosure

cc: Lee Edmonson, Hidden Valley Coal Company  
Denise Dragoo, Esq.  
Bill Malencik

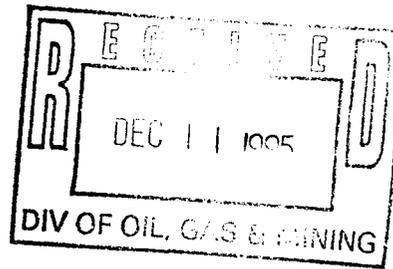


**The St Paul**

*Surety*

**Seaboard Surety Company**  
19900 MacArthur Blvd., Ste. 680  
Irvine, CA 92715-2445  
Telephone 714.851.1911  
Facsimile 714.851.9627

December 6, 1995



Ms. Pam Grubaugh-Littig  
STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS & MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180

RE: BOND NO. 400HJ8041  
HIDDEN VALLEY COAL COMPANY  
ST. PAUL FIRE AND MARINE INSURANCE COMPANY

Dear Ms. Grubaugh-Littig:

Your records will indicate that we are Surety on the captioned bond.

The Principal, Hidden Valley Coal Company, has advised that their company has been sold to Consolidated Coal Company and that the the above noted bond is no longer needed. Please verify that our bond is no longer needed and may be closed by signing signing below and returning to our office is the envelope provided.

If you have any questions, please let me know.

Best Regards,  
ST. PAUL FIRE AND MARINE INSURANCE COMPANY

  
Cathe Anderson

/ca

CC: Ms. Jean Willcox, ALEXANDER & ALEXANDER

  
Pam Grubaugh-Littig

Seaboard Surety  
Company  
St. Paul Fire and Marine  
Insurance Company  
St. Paul Mercury  
Insurance Company  
St. Paul Guardian  
Insurance Company

*u' pay Permit Binder  
820: PFO  
Orig to PAM*

GORDON CREEK #2, #7 & #8 MINES  
CHRONOLOGY  
RECLAMATION PLAN

- December 13, 1982 Utah AOC rules approved as part of the Utah Coal Regulatory Program.
- April 14, 1990 Reformatted rules effective (highwall reclamation changed).
- December 3, 1990 Division notified of closure of Gordon Creek #2, #7 & #8 Mine.
- June 6, 1991 Division Order DO-91A issued--re: Highwall Reclamation.
- July 8, 1991 Mountain Coal Company (MCC) requested 120-day extension citing landowner request, highwall stability, reclamation costs and schedule.
- July 11, 1991 Meeting with Dan Guy, Lowell Braxton and Pamela Grubaugh-Littig.
- Extension granted until 11/11/91 for submittal of DO information.
- August 6, 1991 Dianne Nielson, Lowell Braxton, Jess Kelley, and Dan Guy met at the site to look at the highwalls and discuss possible ways of reclaiming them. At this meeting, it was decided that the Division and the operator would seek the assistance of WTC in the process of "formulation and approval" of a highwall reclamation plan which would be both technically sound and acceptable to the Division and to OSM.
- August 12, 1991 Jess Kelley contacted Merline Van Dyke of WTC to request assistance. He was told by Van Dyke that the Division would have to make a formal request for such assistance in writing, but that WTC wanted to look at some information from the site in the meantime.
- August 14, 1991 Jess Kelley talked with Gene Hay of WTC. Hay requested some information about the site, particularly as-built drawings and geological logs. Kelley wrote a letter to Hay explaining the situation.

August 19, 1991	Jess Kelley sent Gene Hay the information requested on August 14. Dianne Nielson formally requested WTC's assistance by letter.
September 3, 1991	Division requested Western Technical Center assistance.
September 27, 1991	Jess Kelley talked with Gene Hay about this site. Apparently, Hay had forgotten about the matter, because he told Kelley that he (Hay) would talk with his boss about it.
October 1, 1991	Jess Kelley talked with Karen Jass of WTC. She said that her boss and Gene Hay's boss, Charlie Harrison, had given the task of looking at this site to her. She also said that she would make a visit to the site on October 8, 1991, but that the final decision would be made between the Division and OSM's Albuquerque Field Office (AFO).
October 2, 1991	Letter from OSM-AFO considers helping Division on Gordon Creek highwall issues.
October 8, 1991	Karen Jass visited other sites, but, for reasons which she did not explain, failed to visit the Gordon Creek #2, #7 & #8 site. After this, there was, to the writer's knowledge, no further contact between the Division and WTC regarding a joint analysis of reclamation of the highwalls.
December 12, 1991	MCC submits revision of Postmining Land Use information.
January 24, 1992	Proposal denied.
January 27, 1992	Letter sent to Lowell Braxton stating the provisions for administrative and judicial review at R645-300-200 will apply to the Division Order.
February 25, 1992	Meeting with MCC and Division--re: the complete elimination of highwalls.
February 26, 1992	Mid-term review for Gordon Creek #2, #7 & #8 encompasses bond and insurance review only due to reclamation plan changes due 4/30/92.
	Modification of DO-91A stating that Mountain Coal Company must make "requisite permit changes in

accordance with R645-303-220 and submit a complete application for permit change by no later than 4/30/92."

- March 4, 1992 Clarification letter sent reiterating complete elimination of highwalls is required.
- March 6, 1992 Reclamation comments sent to incorporate into the 4/30/92 response.
- April 29, 1992 Request received for extension to 5/7/92.
- Extension granted for submittal of "complete and accurate information relative to the reclamation of this mine."
- May 7, 1992 MCC submits DO-91A response.
- Note: The A Team was unable to commence the review until 6/1/92 due to other permitting priorities, i.e. Blue Blaze Mine.
- June 3, 1992 Hydrology review submitted to Pamela Grubaugh-Littig. Permanent impoundment is proposed with critical information missing.
- June 8, 1992 At I & E meeting, Pamela Grubaugh-Littig advises Lowell Braxton of status of DO-91A. He recommends issuance of a violation.
- June 10, 1992 NOV #N92-20-1-1 prepared.
- June 15, 1992 NOV #N92-20-1-1 sent.
- June 16, 1992 NOV faxed to Dan Guy.
- June 18, 1992 NOV modified to extend abatement until June 29, 1992.
- June 19, 1992 &  
June 22, 1992 Other reviews faxed to Dan Guy.

June 25, 1992	Pursuant to a meeting, NOV modified to July 17, 1992.
July 14, 1992	Fact of Violation Hearing.
July 28, 1992	Division Order DO-92A issued regarding reclamation at Gordon Creek #2, #7 & #8.
August 13, 1992	NOV #N92-20-1-1 vacated.
August 17, 1992	"Settlement Agreement" letter from Dianne Nielson to Scot Anderson, submittal due 12/18/92.
August 20, 1992	MCC submittal of highwall information.
September 10, 1992	Highwall reclamation recommended for approval by analysis by Jesse Kelley. Letter sent to that effect.
December 10, 1992	Extension request for submittal of reclamation plan to 2/1/93 and other changes in settlement agreement.
December 21, 1992	Lowell Braxton grants extension request to 2/1/93.
February 1, 1993	Reclamation plan submitted.
March 17, 1993	Division completeness and technical review sent to MCC.
March 23, 1993	Letter to PGL from Scot Anderson (Legal, MCC) regarding highwall issue.
April 1, 1993	Meeting at the Division with Kathleen Welt, Scot Anderson, Dan Guy, "A" Team and Tom Mitchell. Discussion came down to "complete elimination" of the highwall, no matter what. Tom Mitchell stated that the "fatal flaw" was the fact that #7 Mine had been permitted initially.
April 5, 1993	Lowell Braxton states to PGL he will talk to OSM about technical assistance.

- April 21, 1993 PGL spoke with Kathleen Welt. She said that there was a meeting with Scot Anderson, Ray Lowrie (OSM, Denver) and herself on 4/20/93. Denver could provide no assistance on highwall issue, AFO must authorize, per Ray Lowrie.  
PGL also told Kathleen Welt that Division could not review draft of response submitted 4/16/93 by Dan Guy. Need complete response, not a partial response.
- May 4, 1993 Letter to Bob Hagen from Scot Anderson (Legal, MCC) requesting a meeting to discuss the complete reclamation of the Gordon Creek Mine in 1993.
- May 10, 1993 Deficiency response received from 3/17/93 review.
- May 14, 1993 Division receives copy of May 4, 1993 letter from Scot Anderson to Robert Hagen requesting a meeting to discuss the technical issues of Gordon Creek #2, #7, and #8 with OSM-AFO.
- June 7, 1993 PGL telephones Kathleen Welt to notify her that the document needs editing and there are still issues. Will return entire submittal to be resubmitted by June 30, 1993.
- June 9, 1993 Issues identified in a letter to Kathleen Welt from PGL regarding the May 10, 1993 submittal. Requested response by June 30, 1993.
- June 24, 1993 OSM oversight meeting at the Division. Operator request for technical assistance is discussed. OSM states that technical assistance must be requested through the Division.
- July 12, 1993 Letter from Kathleen Welt to Division requesting extension to August 6, 1993 for resubmittal.
- August 6, 1993 Resubmittal of entire plan to Division from MCC.

- September 17, 1993 Federal Register notice final rule on highwalls in the Utah Coal Regulatory Program. Review postponed awaiting Division AOC policy.
- December 14, 1993 Scot Anderson called PGL to notify Division that ARCO met with OSM-AFO on 12/7 (Steve Rathbun and Henry Austin) regarding the highwall issue at the #7 Mine. Mr. Anderson suggested a technical meeting with OSM-DOGM-ARCO (Mountain Coal Company), but Mr. Rathbun told him that would not happen. Mr. Rathbun stated that the #7 highwall must be completely eliminated, but OSM would review material submitted to them from the Division. Scot said that they will take a fresh look at the issue and decide upon the best option. MCC will get back to the Division in mid-January with the same proposal, a new proposal or ?
- January 18, 1994 Scot Anderson called PGL to notify Division that ARCO will respond to Division in mid-February regarding their position on highwalls.
- March 14, 1994 Meeting with Scot Anderson, Phil Schmidt, Dan Guy, JWC, LPB, DH, JK, KW, HS, TM, and PGL regarding status of DOGM/OSM highwall situation. Jim tells Mountain Coal that Division will review the 8/6/93 plan according to a yet-to-be approved AOC directive. This review will entail an informal meeting with Mountain Coal and Division on 4/18.
- April 6, 1994 AOC Directive signed by JWC.
- May 16, 1994 Schedule for GC #2, #7 and #8 review by June 10.
- June 30, 1994 Technical Deficiency document sent to Mountain Coal Company. #7 must be completely eliminated. Response due 8/30.
- August 11, 1994 Meeting with Mountain Coal (Scot Anderson, Dan Guy, Paige Beville) and Division (Daron, Randy, Jess, Susan, Henry, Pam) to discuss June 30 deficiency letter, in

particular, AOC at #7 Mine. Will request extension for submittal by 9/30.

August 20-21, 1994 Joint oversight inspection at Gordon Creek #2, #7 and #8 Mines.

September 6, 1994 TDN X94-020-352-003 TV2 received for "Failure to provide in the mine plan, for the elimination of all highwalls. Highwalls at the #2 Mine," and "Failure to reclaim the mine according to the schedule approved in the permit." GC #2, #7 and #8 Areas.

September 15, 1994 Division response to TDN X94-020-352-003 TV2.

September 30, 1994 Mountain Coal Company submits response to June 30, 1994 deficiency document.

October 20, 1994 Division submits additional information to OSM-AFO in regard to TDN X94-020-352-003 TV2

November 9, 1994 Oversight meeting at the Division with OSM-AFO. Tom Ehmett states that he would like OSM to "buy off" on the approved reclamation plan for Gordon Creek #2, #7, and #8 before the reclamation begins.

November 14, 1994 Meeting at the Division with Dan Guy, Daron Haddock, Susan White, Tom Munson, and Henry Sauer in regard to the violation and the reclamation plan.

November 21, 1994 Deficiencies in the Reclamation Plan sent to MCC. Response due December 21, 1994.

November 23, 1994 Division receives inappropriate response to TDN X94-020-352-003 TV2.

November 28, 1994 Informal appeal request to OSM-Washington for TDN X94-020-352-003 TV2.

December 21, 1994	Letter of request from MCC to extend response date to January 31, 1995. Approval of extension for response to January 31, 1995.
January 31, 1995	MCC response to Division 11/7/94 deficiency document. Major changes in the submittal included a commitment and plans to re-reclaim the Old Fan Portal Area, and design for a new 3-celled sediment pond below the mine site to allow for complete reclamation. Reformatting, typing errors and page numbers were also corrected. Review due March 2, 1995.
March 20, 1995	Letter from OSM Deputy Director remanded the TDN case back to AFO and WRCC to work with DOGM in addressing various highwall issues that are unique in Utah. In addition DOGM was to provide additional information to WRCC.
March 31, 1995	Draft TA (review) sent to MCC.
April 17, 1995	Cross-Sections submitted to the Division.
April 18, 1995	Field review with Charles Sandberg (OSM-WSC), Jim Carter, Lowell Braxton, and Joe Helfrich.
May 30, 1995	Final rule published in <u>Federal Register</u> (60 FR 28040) addressing programmatic issues concerning highwall elimination and AOC.
June 13, 1995	Draft TA sent to MCC.
June 20, 1995	Rick Seibel, Jim Fulton, Jim Carter, Lowell Braxton, and Daron Haddock discuss the Gordon Creek #2, #7, and #8 reclamation at a meeting in Division Offices.
July 7, 1995	Additional information submitted to WRCC.
July 14, 1995	TDN X94-020-352-003 TV2, AFO decision reversed and DOGM's responses found appropriate.

- July 20, 1995 Approval of Reclamation Plans, with two conditions: 1) during the growing season, a determination will need to be made as to whether or not a pre-disturbance vegetation inventory of the proposed 2/7/9 Sediment Pond is necessary, and 2) Backfilled slopes in the #7 Mine portal shall be backfilled to the extent possible while maintaining a factor of safety of 1.3. Mountain Coal Company must also provide a copy of the comments made by the legal owner of records of the reclaimed land surface concerning the postmining land use.
- July 21, 1995 Daron Haddock and Lowell Braxton meet with landowners in Price.
- September 21, 1995 Reclamation commences.  
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