

MRP Update Register

Mine Name

File Number

Diamond Shamrock
Trail Mtn. Trout II

ACT/015/009
86A

Date Rec.	Page #s	Plate #s	Approval Date	Insert By	Content/Remarks
2-19-86	all	all		JH	
3-6-86	Ch. 7 Appendix 7A			L.A.C. JH	
11/25/86	Reply (see pgs. marked 11-21-86)	Reply		pgl	
1/13/87	Front of Vol. 1 Certification			pgl	
1/13/87	Ch. 2-13			pgl	
1/13/87	App. 10 PART D B-SEALING			pgl	
1/13/87	Ch. 6 - pgs. 8, 9, 10 (list)			pgl	
1/13/87	Ch. 7: Table of Contents,			pgl	
1/13/87	All of APP. A All of Ch. 7			pgl	
	APP. 7-1, 7-2, 7-3. APP. D-1			pgl	
1/13/87 Replace	Item D-12 Fig. 7-3	Fig. 3-6 6-8 7-3		pgl	
	7-9 7-9a	7-9 7-a		pgl	
	6-8 3-6			pgl	
2/5/87	APP. 7-F in Vol. 2 APP. 6 in Vol. 3	Ch. 7 Ch. 12 Fig. R-5		pgl	



Diamond Shamrock
Coal Company

RECEIVED
NOV 25 1986

DIVISION OF
OIL, GAS & MINING

Dear Sirs;

The permit application for the Trail Mountain Coal Company Tract 2 Permit Area is formally submitted on this date, January 20, 1986.

Pursuant to UMC 771.23 it is our intent to provide to you a single self-contained application package that is current and provides all information relative to the Trail Mountain Coal Company Tract 2 Permit Application and Mining and Reclamation Plan.

It is in our effort to submit a concise, stand alone document, we have taken the liberty of referencing material contained in the previously approved Trail Mountain Mine Permit ACT/015/009. These references will be made by volume, chapter number and page number.

In submitting this mining and reclamation plan for your perusal, I hereby state that the information contained within was made under my direction and is true and accurate to the best of my knowledge.

Sincerely;

TRAIL MOUNTAIN COAL COMPANY

Allen P. Childs
Mine Engineer

UMC 771.27 VERIFICATION OF APPLICATION

All information contained in the Trail Mountain Coal Company's Tract 2 Mine Permit Application is true and correct to the best of our information and belief.

By Allen P Childs Allen P. Childs
Mine Engineer
Project Manager

Subscribed and Sworn to Before Me This 22nd Day of January, 19 86

Marjorie L. Anderson My Commission Expires July 24, 1989
(Notary Public)

UMC 771.27 VERIFICATION OF APPLICATION

All information contained in the Trail Mountain Coal Company's Tract 2 Mine Permit Application is true and correct to the best of our information and belief.

By Allen P. Childs Allen P. Childs
Mine Engineer
Project Manager

Subscribed and Sworn to Before Me This 25th Day of November, 1986

Majorie L. Anderson My Commission Expires July 24, 1989
(Notary Public)

RECEIPT

Date 11-25 1986

9154

Received From Trail Mountain Mens

Address _____

Five & 00/100 Dollars \$ 5 00

For Permit Fee

ACCOUNT			HOW PAID		
AMT. OF ACCOUNT			CASH	<u>5 00</u>	
AMT. PAID			CHECK		
BALANCE DUE			MONEY ORDER		

By Gayle Lase

RECEIVED
JAN 13 1987

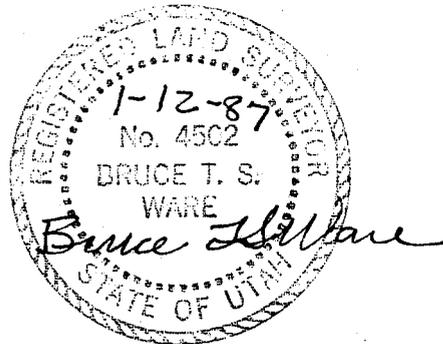
DIVISION OF
OIL, GAS & MINING

I, Bruce T.S. Ware, have reviewed all maps contained in the Trail Mountain Coal Company Tract 2 Mining and Reclamation Plan and have determined them to be accurate and correct to the best of my knowledge. I have stamped and signed the maps. In order to facilitate the review process and to aid Trail Mountain in signing maps that may need revisions, I would at this time submit this statement and signed stamp of my approval of the maps contained within this document.

Signed *Bruce T. S. Ware*

Bruce T. S. Ware

Registered Land Surveyor State of Utah



CHAPTER I

INTRODUCTION

Prepared for
TRAIL MOUNTAIN COAL COMPANY
Orangeville, Utah

BY
ENGINEERING DEPARTMENT

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Appendix 2	BLM Cross Reference
Appendix 3	ACT/015/009 Permit Approval

This permit is submitted under the Utah Regulations of Coal Mining and Reclamation Operations Act [Title 40, Chapter 10, Utah Code Annotated 1953, as Amended]. The Surface Mining Control and Reclamation Act of 1977 [P.L. 95-87]. The Cooperative Agreement between the State of Utah and The United States Department of the Interior, The Federal Sand Policy and Management Act Of 1976, regulations of the U.S. Geological Survey, the Permanent Regulatory Program Regulations of the Surface Mining Reclamation and Enforcement, and the Regulations of the State of Utah, Department of Oil Gas and Mining.

INTRODUCTION OF TRACT 2

1. INTRODUCTION. Trail Mountain Coal Company's Trail Mountain Mine is located in Cottonwood Canyon, 12 miles west of Orangeville, Utah [See figure 1-1].

A mining and reclamation permit, ACT/015/009, which incorporates the Office of Surface Mining [OSM] permit UT-0017, was issued for the State of Utah by the Division of Oil, Gas and Mining [DOG M] to Trail Mountain Coal Company on February 19, 1985 [See Appendix 3].

On March 1, 1983, Trail Mountain Coal Company acquired coal lease U-49332. This coal lease area is contiguous to the approved mine plan area and contains approximately 641.47 acres [See Figures 1-1 and 3-9].

The following Permit Application will focus on Coal Lease U-49332 and from this time forth will be referred to as Tract 2.

It is important to point out that Tract 2 is contiguous to an approved mine plan property ACT /015/009 which from this time forth will be referred to as Mine Plan ACT/015/009.

There will be no surface developed or surface disturbance associated with Tract 2, nor will there be any additional surface development or surface disturbance associated with the mine plan area of ACT/015/009.

As a contiguous property, Tract 2 will be accessed from underground from the active mining workings operated by Trail Mountain Coal Company [Mine Plan ACT/015/009].

It is our intent to have the Tract 2 mining permit application be a self-sustaining and independent document. However, there will be occasions when the reviewers will be asked to refer to Mine Plan ACT/015/009 for approved text that may be relevant to Tract 2, such as surface disturbance, bonding, final reclamation, etc.

When a reference to mine plan ACT/015/009 is made, the reviewer will be given the following instructions: See Mine Plan ACT/015/009--Volume 1 or Volume 2-- Appendices 1 or Appendices 2, Chapter number and page number.

As stated, the Tract 2 lease was assigned to Trail Mountain Coal Company through the property holding company of Natomas Minerals of Utah, Inc. * Trail Mountain Coal Company will operate and handle all activities associated with Tract 2.

* See Chapter 2, 2.2.3.

1 SOCIOECONOMICS

Trail Mountain Coal Company's Tract 2 coal lease is located in Emery County, twelve miles west of Orangeville, Utah:

T. 17 S. R. 6E. SLB&M Utah Sec. 25, S 1/2 NW 1/4, W 1/2 SW 1/4, W 1/2 E 1/2 SW 1/4, Sec. 26, SE 1/4 NE 1/4, E 1/2 SW 1/4 NE 1/4, E 1/2 SE 1/4, E 1/2 W 1/2 SE 1/4; Sec 35, lots 1, 2, SE 1/4 NE 1/4, E 1/2 SW 1/4 NE 1/4, E 1/2 SE 1/4, E 1/2 W 1/2 SE 1/4.

Trail Mountain Coal Company at the present time operates two continuous miner sections and mines in the Hiawatha Coal Seam. The Hiawatha seam is the only minable seam in the Trail Mountain lease area. Trail Mountain mine works 240 days per year, two shifts per day, eight hours per shift with one production shift and one maintenance shift. Annual production from Trail Mountain Coal is approximately 450,000 tons.

Annual production is dictated by the economic climate of the coal industry and may fluctuate with given variables.

With current long term contracts, Trail Mountain Coal projects that the mining methods, miner sections and shifts, employees and production will remain status quo during the mining of Tract 2.

There are at present a total of 53 employees working at the Trail Mountain Mine Site [98.6% of this total are residents of Emery County]. To date \$1,400,000 has been paid in advance royalties for Tract 2.

There will be no transportation provided by the company during the mining of Tract 2. Car pooling is strongly encouraged by the company.

Once mining activities commence in Tract 2, Trail Mountain Coal will spend an additional \$ 180,000 to up grade and realign the three mile stretch of road from Highway 29 to the mine site to facilitate a safer ingress and egress.

Annually, Trail Mountain Coal sets aside a fund dedicated to the funding and supporting of the various groups and activities that arise in the communities in the Area.

Trail Mountain Coal Company prides itself in being an asset to the communities in this area, not only as a source of employment but as a contributing entity to the recreational and civic needs of the area through taxes, donations and support.

The reserves from the Tract 2 lease will provide for the continuation of the Trail Mountain Mine mining operations for a maximum of eleven years at an annual production rate of 450,000 tons of coal. Without the Tract 2 lease, operations would discontinue within two years. Upon commencement of mining in the Tract 2 lease area the national treasury would increase due to the lease royalties and rental fees for an additional 641.47 acres of land contained in estimated 4.7 million tons of recoverable coal.

1.1 SCOPE OF OPERATION

This section described, in general terms, the scope of operations conducted by Trail Mountain Coal Company at the Trail Mountain Mines Tract 2 Lease. Tract 2 is part of an underground coal operation located in Sections 25, 26, and 35, Township 17 South Range 6 East, Salt Lake Basin and Meridian, Emery County, Utah.

T. 17 S. R. 6E. SLB&M Utah Sec. 25. S 1/2 NW 1/4. W 1/2 SW 1/4. W 1/2 E 1/2 SW 1/4; Sec. 26. SE 1/4 NE 1/4. E 1/2 SW 1/4 NE 1/4 E 1/2 SE 1/4. E 1/2 W 1/2 SE 1/4; Sec 35. lots 1, 2. SE 1/4 NE 1/4. E 1/2 SW 1/4 NE 1/4. E 1/2 SE 1/4. E 1/2 W 1/2 SE 1/4.

Tract 2 contains 641.47 acres, more or less, of Federal leased coal land. Annual production of Tract 2 will be approximately 450,000 tons per year. Life of reserves is approximately 11 years (at current contractual commitments).

Underground mining will occur in the Hiawatha seam of the Blackhawk Formation. No surface development or disturbances are anticipated for Tract 2.

Surface facilities for Tract 2, including the office, shop, storage facilities, tippie, substation, vegetation test plots, vegetation reference areas, scales and loadout are located at the intersection of the coal seam and the canyon floor and all references to these surface facilities can be found in the previously approved Trail Mountain Mine Plan Permit ACT/015/009.

1.2 SUMMARY OF ENVIRONMENTAL IMPACTS

Similar to many other coal operations along the east front of the Wasatch Plateau, the Trail Mountain Mine is located in a steep walled canyon. Vegetation, soils, geology, hydrology and wildlife of the mine plan area [Tract 2] are typical of the general area.

Mining activities have been conducted at the Trail Mountain Mine for 11 years with rather minimal impact to the environmental resources and it is expected that continued operations of the Trail Mountain Mine in Tract 2 will also have a minimal impact.

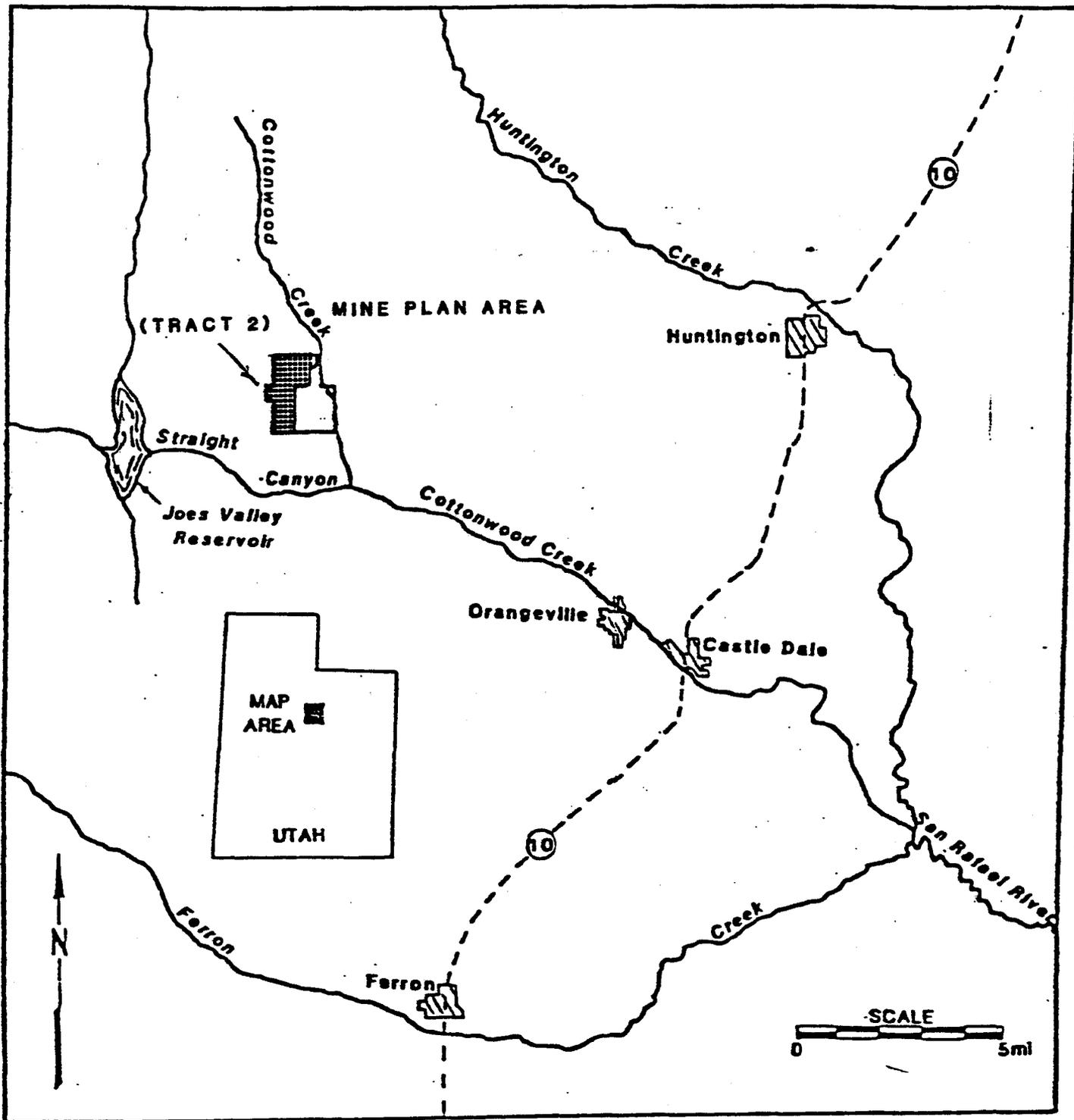
Impacts are expected to be very minimal due to the fact that the mining of Tract 2 will require no surface disturbance and the implementation of mining practices which incorporated sound and practical environmental considerations in Trail Mountain Coal Company's mine planning process.

1.3 INTRODUCTION TO REVIEWER'S CHECK-LIST.

This Mining and Reclamation Plan Permit Application for Trail Mountain Coal Company's Tract 2 is organized in accordance with the Utah Division of Oil, Gas and Mining Guidelines on permit organization. Minor changes in title, wording and placement have been made. These in no way interfere with the orderly review of the mine plan document.

A reviewer's check-list is presented hereafter in appendix 1, indexing the Utah regulations UMC parts 782, 783, and 784 to the pertinent section of this mine permit application and any pertinent section of approved sister mine plan permit ACT/015/009.

Appendix 2 contains a BLM cross reference.



Location of the Trail Mountain Mine Plan Area.

FIGURE 1

FIGURE 1-1

**Appendix 1 Reviewers Checklist for Trail Mountain Permit
Application**

 Table 1-1 Reviewers Checklist for Trail Mountain Tract 2 Permit Application.

<u>UMC REF. NO.</u>	<u>SECTION</u>	<u>OUTLINE</u>	<u>PAGE</u>
782.	2.	Chapter 2. Legal, Financial, Compliances	
782.13A	2.2	Identification of Interests	
782.13A1	2.2.1	Permit Applicant	
782.13A2	2.2.2	Owners of Record of Surface Area and of	
782.13A3	2.2.3	Holders of Leasehold Interests in	
782.13A4	2.2.4	Purchase of Record Under a Real Estate	
782.13A5	2.2.5	Operator, if Different From Applicant	
782.13A6	2.2.6	Resident Agent of the Applicant	
782.13B	2.2.7	Business Designation	
782.13B1	2.2.7.1	Officers and Directors of the Applicant	
782.13B2	2.2.7.2	Principal Shareholder of the Applicant	
782.13B3	2.2.7.3	Names Under Which Applicant and	
782.13C	2.2.7.4	Principal, Officers, and Resident	
782.13D	2.2.8	Current, Pending, or Previous Coal Mine	
782.13E	2.2.9	Owners of Record of Surface and Subsur-	
782.13F	2.2.10	Mine Name and MSHA Identification	
782.13G	2.2.11	Applicant's Interest in Areas Contiguous	
782.14	2.3	Compliance Information	
782.14A	2.3.1	Statement of Whether Applicant has had	

782.14B	2.3.2	Explanation for each Suspension, Revoca-
782.14C	2.3.3	Listing of Violations by Applicant for
782.15	2.4	Right of Entry and Operation Information
782.16	2.5	Relationship to Areas Designated Unsuited
782.17	2.6	Permit Term Information - Anticipated
782.18	2.7	Personal Injury and Property Damage In-
782.19	2.9	Identification of other Licenses and Permits
782.20	2.10	Identification of Location of Public Office
782.21	2.11	Newspaper Advertisement and Proof
783.12A	3.3.7	Mine Plan Area
783.12A	3.3.7.1	Projected Mining by Year
783.12B	5.4.1	Archeological Inventor
783.12B	5.3.1	Historical Inventory
783.12B	5.5.1	Paleontologic Inventory
783.12B	5.6.1	Inventory of Public Facilities
783.13A	6.3	Regional Geologic Framework
783.13A	6.4	Geology of the project Vicinity
783.13A	6.5	Geology of the Coal Beds and Adjacent
783.13A	6.5.1	Exploration and Drilling
783.13A	7.1.3	Existing Groundwater Resources
783.13A	7.1.3.1	Regional Groundwater Hydrology
783.13A	7.1.3.2	Mine Plan Area Aquifers
783.13A	7.2.3.1	Regional Surface Water Hydrology
783.13A	7.2.3.2	Mine Plan Area Watersheds and Stream
783.13B	6.5.1	Exploration and Drilling
783.14A	7.1.3.2	Mine Plan Area Aquifers
783.14AII	7.1.5	Effects of Mining Operation on the

783.14A1I	7.2.5	Effects of Mining and Surface Facilities
783.14A2	6.5.3	Structure
783.14A2II	6.5.2	Stratigraphy
783.15	7.1.3.2	Mine Plan Area Aquifers
783.16A	7.2.3.2	Mine Plan Area Watersheds and Streams
783.16A	7.2.4.2	Sedimentation Control Structures and
783.16B	7.2.4.2	Sedimentation Control Structures
783.16C	7.2.4.2	Sedimentation Control Structures
783.17	7.1.4.1	Water Supply
783.18A1	11.3.1	Precipitation
783.18A2	11.3.4	Surface Wind
783.18A3	11.3.2	Temperature
783.19A	9.3.7	Existing Resources
783.19A	9.7	Revegetation Methods and Justifi-
783.20	10.3	Existing Fish and Wildlife
783.20	10.3.1	Wildlife Habitat in Mine Plan Area
783.21A1	8.3.1	Soils Identification
783.21A2	8.3.1	Soils Identification
783.21A4	8.5	Soils-Physical and Chemical Properties
783.22A	4.4.2	Mine Plan Area Land Use
783.22A	8.5	Soils-Physical and Chemical Properties
783.22A1	4.4.2.1	Existing Use
783.22A1	4.4.2.2	Previous Mining
783.22C	4.4.2	Mine Plan Area Land Use
783.22C	4.4.2.1	Existing Use
783.24A	4.3.1.1	Ownership

783.24A	4.3.2.1	Coal Ownership and Mines
783.24A	4.3.2.3	Mineral Ownership
783.24A	4.3.2.5	Oil and Gas
783.24F	9.3.7	Reference Area Supporting Data
783.24F	9.8	Revegetation Monitoring
783.25B	7.2.7	Surface Water Monitoring Plan
783.25B	10.7	Fish and Wildlife Monitoring
783.25C	6.5.3	Structure
783.25I	3.2.1	Site Selection and Preparation
783.25J	3.3.2.1	Protection of Oil, Gas, and Water Wells
783.25J	4.3.2.6	Oil and Gas Leases
784.	3.0	Chapter 3. Operation and Reclamation
784.11A	3.3.1.1	Orientation and Multiple Seam Consider-
784.11A	3.3.1.3	Mining Methods
784.11A	3.3.1.4	Projected Mine Development
784.11A	3.3.1.5	Retreat Mining
784.11A	3.3.1.6	Roof Control, Ventilation, Water Sys-
784.11A	3.3.2	Barrier Pillars
784.11A	3.3.3.2	Projected Maximum Recovery
784.11A	3.3.4	Equipment Selection
784.11A	3.3.6	Operation Schedule
784.11A	3.3.6.1	Annual Production for Permit Term
784.11B	3.3.7.2	Acerage and Delineation
784.11B1	3.2.6	Water Supply System
784.11B1	3.2.7	Sewage System
784.11B1	3.2.8	Water Diversion Structures
784.11B1	3.2.9	Sedimentation Control Structures and

784.11B1	3.5.3.3	Disposition of Dams, Ponds, and Diver-
784.11B2	3.5.2	Soil Removal and Storage
784.11B2	3.5.4	Backfilling and Grading Plans
784.11B2	3.5.4.1	Contouring
784.11B2	3.5.4.3	Erosion Control
784.11B2	3.5.5.1	Soil Preparation
784.11B2	8.7	Plans for Removal, Storage and
784.11B2	8.8	Plans for Redistribution of Soils
784.11B2	8.10	Effects of Mining Operations on
784.11B3	3.2.4	Coal Handling, Processing, Preparation
784.11B3	3.2.10	Transportation, Roads, Parking Areas
784.11B4	3.2.10	Transportation, Roads, Parking Areas
784.11B4	3.4.9	Waste Disposal Plans
784.11B4	3.5.4	Backfilling and Grading Plans
784.11B4	3.5.4.1	Contouring
784.11B5	3.5.3.2	Removal of Surface Structures
784.11B6	3.2.6	Water Supply System
784.11B6	3.2.7	Sewage System
784.11B6	3.2.8	Water Diversion Structures
784.11B6	3.4.3.2	Control Measures to Mitigate Impacts
784.11B6	3.4.3.3	Groundwater Monitoring Plan
784.11B6	3.4.9.1	Projected Impacts of Disposal Areas and
784.11B6	7.1.7	Groundwater Monitoring Plan
784.11B6	7.2.4	Surface Water Development, Control
784.11B6	7.2.6	Mitigation and Control Plans
784.11B6	7.2.7	Surface Water Monitoring Plan
784.12A	3.2	Surface Facilities

784.12A1	3.2.1	Site Selection and Preparation
784.13	8.5	Soils-Physical and Chemical Properties
784.13A	3.5	Reclamation Plan
784.13B1	3.5.6.1	Detailed Timetable for Completion of
784.13B2	3.5.7	Cost Estimate for Reclamation
784.13B2	3.5.7.1	Cost Estimate of each Step of Reclama-
784.13B3	3.5.4	Backfilling and Grading Plans
784.13B3	3.5.4.1	Contouring
784.13B4	3.5.2	Soil Removal and Storage
784.13B4	8.7	Plans for removal, Storage and
784.13B4	8.8	Plans for Redistribution of Soils
784.13B5	3.5.5	Revegetation Plan
784.13B5I	3.5.6	Schedule of Reclamation
784.13B5II	3.5.5.2	Seeding and Transplanting
784.13B5III	3.5.5.2	Seeding and Transplanting
784.13B5V	3.5.5.3	Management
784.13B5VI	3.5.5.3	Management
784.13B5VII	8.11	Mitigation and Control Plans
784.13B6	3.3.3	Conservation of Coal Resource
784.13B7	3.4.9.2	Control Measures to Mitigate Impacts
784.13B8	3.5.3.1	Sealing of Mine Openings
784.13B9	3.4.7.1	Projected Impacts of Mining Operations on
784.13B9	7.1.6	Mitigation and Control Plans
784.13B9	7.2.6	Mitigation and Control Plans
784.14A	3.4.3	Protection of Hydrologic Balance
784.14A	3.4.3.2	Control Measures to Mitigate Impacts
784.14A	7.1.6	Mitigation and Control Plans

784.14A	7.2.6	Mitigation and Control Plans
784.14B	7.1.7.1	Baseline Monitoring
784.14B	7.2.7.1	Baseline Monitoring
784.14C	7.1.5	Effects of Mining Operation on the
784.14C	7.1.5.1	Quantity
784.14C	7.1.5.2	Quality (TDS, FE, Mn, and PH)
784.14C	7.2.5	Effects of Mining and Surface Facilities
784.14C	7.2.5.1	Quantity
784.14C	7.2.5.2	Quality
784.14D	7.1.6	Mitigation and Control Plans
784.14D	7.2.6	Mitigation and Control Plans
784.15A	4.5	Postmining Land Use
784.15A1	4.5.1	Mine Plan Area
784.15A3	4.5.2	Mine Site
784.15D	4.5.3	Final Surface Configuration
784.16A	7.2.4.2	Sediment Control Structures and
784.16A	7.2.5	Effects of Mining and Surface Facilities
784.17	3.4.2	Protection of Human Values
784.20	3.4.8	Subsidence Control Plan
784.20A1	12.3	Underground Mine Design
784.20A2	12.3	Underground Mine Design
784.20A2	12.4.3	Control and Mitigation
784.20B	12.4.3	Subsidence Control and Mitigation
784.20B	12.4.3	Subsidence Control and Mitigation
784.20B1	12.4.2	Projected Subsidence Effects
784.20B2	12.4.3	Subsidence Control and Mitigation
784.20B3	12.4.3	Subsidence Control and Mitigation

784.20C	12.4.3	Subsidence Control and Mitigation
784.20D	12.4.4	Subsidence Monitoring Plan
784.21	10.5	Mitigation and Management Plans
784.21A	10.5	Mitigation and Management Plans
784.21B	10.7	Fish and Wildlife Monitoring
784.21B1	10.3.3.1	Threatened and Endangered Species
784.21B2	10.3.3	Species of Special Significance
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784.23B1	3.2.3	Surface Buildings and Structures
784.23B1	3.2.5	Power System, Transmission Lines and
784.23B10	3.2.9	Sedimentation Control Structures and
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784.123B6	3.2.8	Water Diversion Structures
784.23B6	3.2.9	Sedimentation Control Structures and
784.23B7	3.2.4	Coal Handling, Processing, Preparation
784.24B3	3.3.9.2	Acorage and Delineation
784.24E	3.3.2.2	Protection of Surface Structures
784.26	3.4.7.2	Mitigating Measures to be Employed to
784.26	11.4	Air Quality Control Practices
784.26A	3.4.7.3	Air Quality Monitoring Plans
784.26B	11.4	Air Quality Control Practices
785.19C	7.3	Alluvial Valley Floor Determination

Appendix 2 BLM Cross Reference

Coal Mine _____ Mine Plan Date _____ Date Received _____

Current Resource Recovery and Protection Plan Approval Date _____

3482.1(c) Regulation	Separate Items	Included In Plan	Adequate	Comments
(1) Names, addresses, and telephone numbers of persons responsible for operations to be conducted under the approved plan to whom notices and orders are to be delivered; names and addresses of operators/lessees; Federal lease serial numbers; Federal license serial numbers, if appropriate and names and addresses of surface and subsurface coal or other mineral owners of record, if other than the United States.	Operations			
	Lessees			
	Lease Numbers			
	Surface Owners			
	Mineral Owners			
	Lease Numbers			
	MSHA I.D. #			
(2) A general description of geologic conditions and mineral resources, with appropriate maps, within the area where mining is to be conducted.	Geologic Conditions			
	Mineral Resources			
	Maps			
(3) A description of the proposed mining operation, including: (i) Sufficient coal analyses to determine the quality of the minable reserve base in terms including, but not limited to, Btu content on an as-received basis, ash, moisture, sulphur, volatile matter, and fixed carbon content.	Coal Analyses			
	Coal Quality			
	Btu			
	Ash			
	Moisture			
	Sulphur			
	Volatile Matter			
	Fixed Carbon			

* The Resource Recovery and Protection Plan under 43 CFR 3482.1(c) provides for the requirements of the Mineral Leasing Act (MLA) and shall be submitted to the appropriate BIM District as required under 3482.1(b).

3482.1(c)(3) Regulation	Separate Items	Included In Plan	Adequate	Comments
(ii) The methods of mining and/or variation of methods, basic mining equipment and mining factors including, but not limited to, mining sequence, production rate, estimated recovery factors, stripping ratios, highwall limits, and number of acres to be affected.	Mining Methods			
	Mining Equipment			
	Mining Sequence			
	Production Rate			
	Stripping Ratios			
	Highwall Limits			
	Acres Affected			
(iii) An estimate of the coal reserve base, minable reserve base, and recoverable coal reserves for each Federal lease included in the resource recovery and protection plan. If the resource recovery and protection plan covers an LMU, recoverable coal reserves will also be reported for the non-Federal lands included in the resource recovery and protection plan.	For each Fed. lease			
	For LMU			
	Coal Reserve Base			
	Minalable Reserve Base			
	Recov. Coal Reserves			
(iv) The method of abandonment of operations proposed to protect the unmined recoverable coal reserves and other resources.	Protect Coal Reserves			
	Protect Other Resources			
(4) Maps and cross sections as follows: (i) A plan map of the area to be mined showing the following: (A) Federal lease boundaries and serial numbers; (B) LMU boundaries, if applicable; (C) Surface improvements, and surface ownership and boundaries;	Plan Map(s)			
	A			
	B			
	C			

3482.1(c)(4)(i) Regulation	Separate Items	Included In Plan	Adequate	Comments
(D) Coal outcrop showing dips and strikes; and, (E) Locations of existing and abandoned surface and underground mines.	D			
	E			
(ii) Isopach maps of each coal bed to be mined and the overburden and interburden.	Coal Isopach Maps			
	Overburden			
	Interburden			
(iii) Typical structure cross sections showing all coal contained in the coal reserve base.	Cross Sections			
(iv) General layout of proposed surface or strip mine showing: (A) Planned sequence of mining by year for the first 5 years, thereafter in 5-year increments for the remainder of mine life; (B) Location and width of coal fenders; and, (C) Cross sections of typical pits showing highwall and spoil configuration, fenders, if any, and coal beds.	Gen. Layout Surface			
	A			
	B			
	C			
(v) General layout of proposed underground mine showing: (A) Planned sequence of mining by year for the first 5 years, thereafter in 5-year increments for the remainder of mine life; (B) Location of shafts, slopes, main development entries and barrier pillars, panel development, bleeder entries, and permanent barrier pillars;	General Layout Underground			
	A			
	B			

3482.1(c)(4)(v) Regulation	Separate Items	Included In Plan	Adequate	Comments
<p>(C) Location of areas where pillars will be left and an explanation why these pillars will not be mined;</p> <p>(D) A sketch of a typical entry system for main development and panel development entries showing centerline distances between entries and crosscuts;</p> <p>(E) A sketch of typical panel recovery (e.g., room and pillar, longwall, or other mining method) showing, by numbering such mining, the sequence of development and retreat.</p>	C			
	D			
	E			
<p>(vi) For auger mining:</p> <p>(A) A plan map showing the area to be auger mined and location of pillars to be left to allow access to deeper coal;</p> <p>(B) A sketch showing details of operations including coal bed thickness, auger hole spacing, diameter of holes and depth or length of auger holes.</p>	Auger Mining			
	A			
	B			
<p>(5) A general reclamation schedule for the life-of-the-mine. This should not be construed as meaning duplication of a permit application in a permit application package under SMCRA. The resource recovery and protection plan may cross-reference, as appropriate, a permit application submitted under SMCRA to fulfill this requirement.</p>	General Schedule			
	Included			
	Cross-Referenced			

3482.1(c)(6) Regulation	Separate Items	Included In Plan	Adequate	Comments
<p>(6) Any required data which are clearly duplicated in other submittals to the regulatory authority or Mine Safety and Health Administration may be used to fulfill the requirements of the above paragraphs provided that the cross-reference is clearly stated. A copy of the relevant portion of such submittals must be included in the resource recovery and protection plan.</p>	MSHA Approvals			
	Included			
<p>(7) Explanation of how MFR of the Federal coal will be achieved for the Federal coal leases included in the resource recovery and protection plan. If a coal bed, or portion thereof, is not to be mined or is to be rendered unminable by the operation, the operator/lessee shall submit appropriate justification to the District Mining Supervisor for approval.</p>	MFR			

ADDITIONAL COMMENTS

Regulation	Separate Items	Included In Plan	Adequate	Comments

Appendix 3 ACT/015/009 Permit Approval

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/015/009, which incorporates the Office of Surface Mining (OSM) Permit UT-0017, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Trail Mountain Coal Company
P. O. Box 370
Orangeville, Utah 84537

for the Trail Mountain Mine. Trail Mountain Coal Company is the lessee of federal coal lease U-082996, the lessee of state coal leases ML-22603, and/or the lessee/owner of certain fee-owned parcels, 53 acres. The permit is not valid until a performance bond is filed with the DOGM in the amount of \$463,711.00 (filed October 29, 1984), payable to the state of Utah, Division of Oil, Gas and Mining and OSM, and the DOGM has received 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 UCMRA.

Sec. 2 The permittee is authorized to conduct surface coal mining and reclamation operations on the following described lands (as shown on ownership map) within the permit area at the Trail Mountain Mine situated in the state of Utah, Emery County, and located:

Township 17 South, Range 6 East, Salt Lake Base and Meridian

Sec. 25: Begin at point of SW Corner of NW1/4 SE1/4, thence North 160 Rods, thence East 44 Rods to center Cottonwood Creek, Southward along creek to a point 76 Rods east of the beginning, thence West 76 Rods to the Point of Beginning.

Sec. 25: SW1/4 SE1/4, E1/2 E1/2 SW1/4

Sec. 36: All

This legal description is for the permit boundary (as shown on the permit area map) of the Trail Mountain Mine. The permittee is authorized to conduct surface and reclamation operations connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, and OSM permit UT-0017, to be issued February 1985, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 This permit is issued for a term of five (5) years commencing on the date the permit is signed by the permittee, except that this permit will terminate if the permittee has not begun the surface coal mining and reclamation operations covered herein within three (3) years of the date of issuance.
- Sec. 4 The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Request for 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 UMC 788.17-.19.
- Sec. 5 The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of the Office of Surface Mining, 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, UMC 840.12, 30 CFR 842.13 and UMC 842.13; and,
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with UMC 842.12 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 The permittee shall conduct surface coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the mining plan and permit application and approved for the term of the permit and which are subject to the performance bond.

- Sec. 7 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 conditions 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. 8 The permittee shall dispose of solids, sludge, filter backwash, or pollutants removed in the course of treatment or control of waters or emissions to the air in the manner required by Subchapter K of this Chapter, the regulatory program and which prevents violation of any other applicable state or federal law.
- Sec. 9 The permittee shall conduct its operations-
- A. In accordance with any measures specified in the permit as necessary to prevent significant, imminent environmental harm to the health or safety of the public; and,
 - B. Utilizing any methods specified in the permit by the Division in approving alternative methods of compliance with the performance standards of the Act and the regulatory program, in accordance with the provisions of the Act, UMC 786.19(m), and Subchapter K.
- Sec. 10 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. 11 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. 12 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. 13 If during the course of mining operations, previously unidentified cultural resources are discovered, the applicant shall ensure that the site(s) is not disturbed and shall notify the state Regulatory Authority (RA). The state RA, after coordination with OSM, shall inform the operator of necessary actions required.
- Sec. 14 APPEALS - The lessee shall have the right to appeal: (a) under 30 CFR 775 from actions or decisions of any official of OSM; (b) under 43 CFR 3000.4 from an action or decision of any official of the Bureau of Land Management; (c) under 30 CFR 290 from an action, order or decision of any official of the Minerals Management Service; or (d) under applicable regulations from any action or decision of any other official of the Department of the Interior arising in connection with this permit. In addition, the lessee shall have the right to appeal as provided for under UMC 787.
- Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and of performance set out in the leases, OSM permit UT-0017 and this permit, the permittee shall comply with the special conditions of OSM permit UT-0017 and the conditions appended hereto as Attachment A.

The above conditions (Secs. 1-15) 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 grantor and the permittee at any time to adjust to changed conditions or to correct an oversight. The grantor 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: Dianne R. Nielson

Date: February 19, 1985

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

Allen P. Giddens

Authorized Representative of
the Permittee

Date: 2/24/85

APPROVED AS TO FORM:

By: Robert W. Roberts
Assistant Attorney General

Date: 2-19-85

NOTICE OF DECISION

To Whom It May Concern:

Pursuant to the Utah Coal Mining and Reclamation Act (Utah Code Annotated 1953, Section 40-10-1 et seq), and the "Regulations Pertaining to Surface Effects of Underground Coal Mining Activities" (Final Rules of the Utah Board of Oil, Gas and Mining), the Utah Division of Oil, Gas and Mining has issued a permit to mine coal to Diamond Shamrock Coal Unit for its permit application No. ACT/015/009. The Company will mine coal underground in accordance with the approved Mining and Reclamation Plan for the Trail Mountain Mine associated with Federal Coal Lease U-082996, State Mineral Lease ML 226503, and the following lands:

Township 17 South, Range 6 East, SLBM, Utah

Sec. 25: begin at point of SW Corner of NW1/4 SE1/4, thence North 160 Rods, thence East 44 Rods to Center Cottonwood Creek, Southward along creek to a point 76 Rods East of the beginning, thence West 76 Rods to the point of beginning.

Sec. 25: SW1/4 SE1/4, E1/2 E1/2 SW1/4

Sec. 36: All

This permit was approved by the Utah Division of Oil, Gas and Mining and by the federal Office of Surface Mining. A copy of the permit, the decision document and Technical Analysis is on file at the following locations:

Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350-
Salt Lake City, Utah 84180-1203
Telephone: (801) 538-5340

Office of Surface Mining
Western Technical Center
Brooks Tower
1020 Fifteenth Street
Denver, Colorado 80202
Telephone: (303) 844-3806

Anyone having comments pertaining to the Trail Mountain Mine should contract Dr. Dianne R. Nielson, Director, Utah Division of Oil, Gas and Mining, or Mr. Allen D. Klein, Administrator, Office of Surface Mining, at the addresses referenced above.

ATTACHMENT A

SPECIAL CONDITIONS

Diamond Shamrock Coal Unit
Trail Mountain Mine
ACT/015/009, Emery County, Utah

February 19, 1985

Stipulation 771.23-(1)-MB

1. Within 30 days of permit approval, the applicant will submit two current, complete and comprehensive copies of the Mining and Reclamation Plan for the Trail Mountain Mine to the Division.

Stipulation 817.41-(1)-RS

1. Within 30 days of permit approval, the operator shall provide, for Division approval, a plan for acquiring site-specific borehole data to delineate the occurrence of subsurface water(s) between the mine workings and Mancos Shale. The operator shall commit to acquiring and submitting this information by August 31, 1985.

If drilling encounters subsurface water(s), the operator shall provide, by August 31, 1985, a systematic monitoring plan for Division approval. The monitoring plan must include:

- A. The type and frequency of field measurements and sampling.
- B. A listing of water quality parameters to be tested and the frequency of laboratory analysis.
- C. A schedule for submitting water level and quality data.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

August 30, 1985

Mr. Allen P. Childs, Engineer
Diamond Shamrock Coal Company
Trail Mountain Coal Company
P. O. Box 370
Orangeville, Utah 84537-0370

Dear Mr. Childs:

RE: Response to Stipulation 817.41-(1), Trail Mountain Mine,
ACT/015/009, #2, Emery County, Utah

The information you furnished for Well TM-1 satisfies the requirements of Stipulation 817.41-(1), Trail Mountain Mine permit. Thank you for your cooperation and timeliness in providing these data.

Sincerely,

A handwritten signature in cursive script, appearing to read "John J. Whitehead".

John J. Whitehead
Permit Supervisor/
Reclamation Hydrologist

RVS/btb
9562R-2

CHAPTER II

LEGAL & FINANCIAL

Prepared for
TRAIL MOUNTAIN COAL COMPANY
Orangeville, Utah

BY
ENGINEERING DEPARTMENT

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LEGAL, FINANCIAL, COMPLIANCE, AND RELATED INFORMATION

2.1 Scope

The scope of the legal, financial, compliance and related information chapter of this mining and reclamation plan is to describe the status of the owners of the Trail Mountain property and document their right to mine. Selections within this chapter cover the following major topics: identification of interests, compliance information, right of entry information, proposed performance bond, other license and permits, location of public office for filing applications, and newspaper publication.

2.2 Identification of Interests

2.2.1 UMC 782.13 (a) (1) Permit Applicant. The permit applicant, name and address, including telephone numbers:

Trail Mountain Coal Company
P.O. Box 550
Orangeville, Utah 84537
Phone Number (801) 748-2140

2.2.2 UMC 782.13 (a) (2) Owner of Records of Surface Area and of Coal Rights.

Every legal or equitable owner of record of the areas to be affected by surface operations and facilities and every legal or equitable owner of record of the coal to be mined. Owner of record of the areas affected by surface operations:

United States of America
U.S. Forest Service
Manti-Lasal National Forest
599 West River Dr.
Price, Utah 84501

Owner of record of the coal minerals:

United States of America
Department of the Interior
Bureau of Land Management
Moab District
P. O. Box AB
Price, Utah 84501

2.2.3 UMC 782.13 (a) (3) Holders of Leasehold Interest in Surface Area and of Coal

Rights. The holders of record of leasehold interest in areas to be affected by surface operations of facilities and the holders of record of any leasehold interest in the coal to be mined is shown below:

Holders of record of any leasehold interest in areas to be affected by surface operations or facilities:

To the applicant's knowledge - None

Holders of record of any leasehold interest in the coal to be mines:

W. K. Minerals, Inc.
Lease No. 4-49332

*Successor in interest by way of merger to Natomas Minerals of Utah, Inc.,

2.2.4 UMC 782.13 (a) (4) Purchase of Record Under a Real Estate Contract for Surface Area or Coal. Any Purchaser of record under a real estate contract of area to be affected by surface operations and facilities and any purchaser of record under a real estate contract of the coal to be mined:

None

2.2.5 Operator. The operator, if the operator is a person different from the applicant, including his or her telephone number:

The Operator is the same as the applicant:

Trail Mountain Coal Company

2.2.6 UMC 782.13 (a) (6) Resident Agent. The resident agent of the applicant who will accept service of process, including his or her telephone number:

The resident agent who will accept service of process is:

CT Corporation System
170 South Main Street
Salt Lake City, Utah 84101

Telephone Number: (801) 364-1228

2.2.7 UMC 782.13 (B) BUSINESS DESIGNATION. Each application shall contain a statement of whether the applicant is a corporation, partnership, single proprietorship, association or other business entity. For businesses other than single proprietorships, the application shall contain the following information, where applicable:

The applicant is a corporation.

2.2.7.1 UMC 782.13 (b) (1) Officers and Directors of the Applicant.

Names and addresses of every officer, partner, director, or other person performing a function similar to a director of the applicant:

The officers and directors of the applicant is as follows:

Board of Directors

R. E. Garbesi	Lexington
P. J. Tocash	Lexington
B. B. Mullins	Lexington
W. V. Alford, Jr.	Lexington

Officers

President	R. E. Garbesi	Lexington
Vice President	P. J. Tocash	Lexington
Vice President	J. R. Triplet	Lexington
Vice President	B. B. Mullins	Lexington
Vice President	<u>J. W. Damato</u>	Lexington
Treasurer	R. E. Turner	Lexington
Assistant Treasurer	J. P. Torgerson	Lexington
Assistant Treasurer	C. J. Wydra	Dallas
Secretary	W. V. Alford, Jr.	Lexington
Assistant Secretary	J. T. Ketron	Lexington
Assistant Secretary	W. E. Notestine	Dallas

2.2.7.2 UMC 782.13 (b) (2) Principal Shareholder of the Applicant.

Names and addresses of any person who is a principal shareholder of the applicant:

Natomas Coal Company is the principal and only shareholder of the Applicant.

Natomas Coal Company
1200 First Security Plaza
Lexington, Kentucky 40507

2.2.7.3 UMC 782.13 (b) (3) Names Under Which Applicant and Principal Shareholder

Operated U. S. Coal Mines. Names under which the applicant, partner, or principal shareholder previously operated underground or surface coal mining operation in the United States within the five years preceding the date of application:

Mines operated within the previous five years:

Trail Mountain Coal Company*
P. O. Box 550
Orangeville, Utah 84537

Federal I.D.	42-01211
State I.D.	ACT-015-009
Reclamation Permit No.	ACT-015-009

*This company was incorporated on January 6, 1981, in California under the name of "Natomas Trail Mountain Coal Company." This name was later changed to Trail Mountain Coal Company of June 15, 1981, which name it continues to have at the present time.

2.2.7.4 UMC 782.13(c) Principals, Officers and Resident Agents.

If any owner, holder, purchaser, or operator identified under paragraph 2.2 of this section is business entity other than a single proprietor, the application shall contain the names and addresses of their respective principals, officers and resident agents:

The officers and directors of the applicant is as follows:

Board of Directors

R. E. Garbesi	Lexington
P. J. Tocash	Lexington
B. B. Mullins	Lexington
W. V. Alford, Jr.	Lexington

Officers

President	R. E. Garbesi	Lexington
Vice President	P. J. Tocash	Lexington
Vice President	J. R. Triplet	Lexington
Vice President	B. B. Mullins	Lexington
Vice President	<u>J. W. Damato</u>	Lexington
Treasurer	R. E. Turner	Lexington
Assistant Treasurer	J. P. Torgerson	Lexington
Assistant Treasurer	C. J. Wydra	Dallas
Secretary	W. V. Alford, Jr.	Lexington
Assistant Secretary	J. T. Ketron	Lexington
Assistant Secretary	W. E. Notestine	Dallas

2.2.8 UMC 782.13(d) Current, Pending or Previous Coal Mining Permits.

Each application shall contain a statement of any current or previous coal mining permits in the United States held by the applicant subsequent to 1970 and by any person identified in paragraph 2.2.7.3 of this section and of any pending permit application to conduct underground or surface coal mining activities in the United States. The information shall be listed by permit or application number and identify the division for each of those coal mining operations:

See Section 2.2.7.3

2.2.9 UMC 782.13 (e) Owner of Record of Surface and Subsurface Areas Contiguous to Proposed Permit Area. Each applicant shall contain the names and addresses of the owners of record of all surface and subsurface areas contiguous to any part of the proposed permit area:

Surface

United States of America
Manti-Lasal National Forest
Price, Utah 84501

United States of America
Bureau of Land Management
Moab District
P. O. Box Ab
Price, Utah 84501

Trail Mountain Coal Company
P. O. Box 550
Orangeville, Utah 84537

Subsurface

United States of America
Bureau of Land Management
Moab District
P. O. Box Ab
Price, Utah 84501

Trail Mountain Coal Company
P. O. Box 550
Orangeville, Utah 84537

2.2.10 UMC 782.13 (f) Mine Name and MSHA Identification. Each applicant shall contain the name of the proposed mine and the Mine Safety and Health Administration identification number for the mine and all sections, if any:

Mine Name

Trail Mountain Mine

MSHA Identification Number

42-01211

2.2.11 UMC 782.13 (g) Applicant's Interest in Areas Contiguous to Proposed Permit Area. Each application shall contain a statement of all lands, interests in lands, options, or pending bids on interests held or made by the applicant for lands which are contiguous to the area to be covered by the permit.

Trail Mountain Coal Company holds no options or pending bids on lands which are contiguous to the proposed permit area.

2.3 Compliance Information

2.3.1 Status of Mining Permits or Bonds

No Federal or State Mining Permits have been suspended or revoked during the history of the mine. No bonds or security has been forfeited during the history of the mine.

2.3.2 Explanation of Permit or Bond Status

See Chapter 1, Appendix 3.

2.3.3 Mine Activity Violations

A list of each violation notice received by the applicant in connection with any underground or surface coal mine activities during the three year period before the application date for violations of any law, rule, or regulation of United States or of any state law, rule, or regulation enacted pursuant to federal law, rule, or regulation or of any provision of the act pertaining to air or water environmental protection. The applications shall also contain a statement regarding each violation notice including:

1. The date of issuance and identity of the issuing division department or agency.
2. A brief description of the particular violation alleged in the notice.
3. The date, location, and type of administrative or judicial proceedings initiated concerning the violation including, but not limited to, proceedings initiated by the applicant to obtain administrative or judicial review of the violations.
4. The current status of proceedings and of the violation notice.
5. The actions, if any, taken by the applicant to abate the violation.

2.3.1 Status of Mine Permits or Bonds

A statement of one of the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant have had no federal or state mine permits suspended or revoked during the history of the mine. No bonds or security has been forfeited during the mine history. The applicant has not received any notice of violation in connection with Tract 2 during the three year period prior to the application date, for any violation of any law, rule, or regulation of the United States or of any state law, rule or regulation enacted pursuant to federal law, rule, or regulation of any provision of the act pertained to air or water environmental protection.

2.3.3 Compliance Information

Violations issued by the Division of Oil, Gas and Mining 1983-1984

1983 VIOLATIONS

1. Show Cause No. (Act/015/009 - Pattern of violation) - Issued 2-4-1983, Consent Order 4-28-1983.
2. NOV 83-4-10-1 - Failure to have blasting records available for inspector. Issued 8-15-83 Term/Vac 10-1-83.
3. NOV 83-4-12-1 Failure to dispose of underground waste in a designated disposal area within the permit area. Issued 9-29-83 Term/Vac 11-1-83.

1984 VIOLATIONS

1. NOV 84-4-4-1 Failure to examine and record sed-pond for structural weakness, erosion and other hazardous conditions. Issued 1-27-84 Term/Vac 1-30-84.
2. NOV 84-4-3-1 Failure to pass all disturbed area runoff through a sediment control facility prior to leaving permit area (snow). Issued 1-19-84 Term/Vac 1-30-84.
3. NOV 84-4-2-1 Failure to mine in accordance with an approved mine plan (inlet) Issued 2-2-84 Term/Vac 2-21-84.
4. NOV 84-4-6-3 Failure to mine in accordance with an approved mine plan Issued 4-18-84 Term/Vac 5-29-84.
5. NOV 84-4-10-1 Failure of discharge from the disturbed area to meet effluent limitations. Issued 7-18-84 Term/Vac 8-6-84.
6. NOV 84-4-12-2 Failure of discharge form the disturbed area to meet effluent limitations. Issued 8-31-84 Term/Vac 8-31-84.
7. NOV 84-2-25-1 Failure to operate in accordance with the terms and conditions of the approved mine plan. Issued 12-20-84 Term/Vac 1-16-85.

1985 VIOLATIONS

1. NOV 85-2-13-1 Failure to maintain sediment control measures to the extent possible. Issued 8-16-85 Term/Vac 10-2-85.
2. NOV 85-2-14-1 Failure to comply with the terms and conditions of the permit. Issued 8-22-85 *Term/Vac 1-2-86*.
3. Nov 85-6-13-1 Failure to pass disturbed area runoff through appropriate treatment facilities. Issued 12-4-85 Term/Vac 12-10-85.

* Delay in termination due to personnel changes and reorganization at the Division of Oil, Gas and Mining.

1986 VIOLATIONS

1. NO. N86-9-3-1 Data concerning water monitoring stations was missing for november 1986. Issued 3-14-86. Term/Vac 3-14-86.

2.4 Right of Entry and Operation Information

a. A description of the documents upon which Trail Mountain Coal Company bases its legal right to enter and begin underground coal activities in the permit area. These rights are not the subject of pending litigation.

The United States Department of the Interior Bureau of Land Management coal lease serial number U-49332 township 17th south, range 6th east S.L.B. and M., Utah. Sec. 25, S 1/2 NW 1/4, W 1/2 SW 1/4, W 1/2 E 1/2 SW 1/4; Sec. 26, SE 1/4 NE 1/4, E 1/2 SW 1/4 NE 1/4 E 1/2 SE 1/4, E 1/2 W 1/2 SE 1/4; Sec 35, lots 1,2, SE 1/4 NE 1/4, E 1/2 SW 1/4 NE 1/4, E 1/2 SE 1/4, E 1/2 W 1/2 SE 1/4.

b. There will be no surface disturbance associated with Tract 2.

c. Nothing in this section shall be construed to afford the division the authority to adjudicate title disputes. A map depicting the legal boundaries is presented in Figure 2-1. Trail Mountain Coal Company is an underground coal mine and there are no associated operations involving the surface mine of coal.

2.5 Relationship to Areas Designated Unsuitable for Mining

The proposed permit area is not within an area designated unsuitable for the surface effects of underground coal mine activities under UMC 764. Neither is the proposed permit area under study for designation in an administrative proceeding initiated under those parts.

Mining would not affect renewable resource lands and would not result in substantial losses of food, fiber, or water supply.

The Tract 2 Permit Area contains no prime farmland or merchandisable timber.

Mining would not affect natural hazard lands and thereby endanger life and property.

In addition, the permit area includes no cemeteries, no national trails, no wild and scenic rivers, no wilderness or wilderness study areas, and no sufficient harvestable forest cover.

There are no occupied dwellings within 5 miles of the proposed permit area.

The applicant does not claim exemption under UMC 786.19 d. (2).

The applicant does not propose to construct or locate surface facilities on the Tract 2 Lease area.

2.6.1 Number of Surface Acres Effected

There will be no surface disturbance associated with this permit. Also no further surface disturbance in approved Mine Permit Area ACT/015/009 will be required because of this permit.

2.6.4 Horizontal Extent of Underground Workings.

All 641.47 acres of Tract 2 will be effected by underground development (see fig. 3-5).

2.6.5 Vertical Extent of Workings

The work performed within Tract 2 permit area will remain within the Hiawatha seam. The Hiawatha seam is the only minable seam in the area.

2.7 Personal Injury and Property Damage Insurance Information

Each application shall contain either a certificate of liability insurance or evidence that the self insured requirements in UMC 806.14 are satisfied. Also the requirement of UMC 782.18 are ratified. See Appendix 2.

2.8 Proposed Performance Bond

No surface disturbance is associated with the Tract 2 permit area, therefore a bond will not be required.

2.9 Identification of Other Leases and Permits

See Appendix 4

M.S.H.A. ID No. 42-01211

Tract 2 Mine Permit No. ACT/015/000

2.10 Identification of Location of Public Office for Filing of Application

Trail Mountain Coal Company will simultaneously file a complete copy of Tract 2 permit application for public inspection with:

- A. Emery County Recorder
Emery County Courthouse
Castle Dale, Utah

- B. Engineering Department
Trail Mountain Coal Company's Company Office
12 miles west of Orangeville, Utah

- C. Additional copies will be supplied to the
Utah Division of Oil Gas, and Mining
3 Triad Center/Suite 350
Salt Lake City, Utah 84180

2.11 Newspaper Advertisement and Proof of Publication

On the date of the filing of the Trail Mountain Coal Tract 2 permit application with the Division of Oil, Gas and Mining the applicant will also file an advertisement in the Emery County Progress and Sun Advocate, local newspapers with circulation in Carbon and Emery Counties sufficient to cover the locality of the applicants operations. This advertisement follows the format under 30 CFR 786.11 (a) and UMC 786.11(b). Such advertisements will be run once a week, four consecutive weeks beginning the week this application is filed with the regulatory authority. The advertisement will list the

name and address of Trail Mountain Coal Company, a description of the proposed permit boundary in relation to nearby landmarks, the name of the USGS 7.5 minute quadrangle which contains the permit area, the location where a copy of the permit application is available for public inspection, and the name and addresses of the regulatory authorities to which written comments, objections or requests for informal conference on the application may be submitted. (See Appendix 1.)

Appendix I

** Newspaper Advertisement.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH }
County of Emery, } ss.

I, Dan Stockburger, on oath, say that I am
the General Manager of The Emery County Progress,
a weekly newspaper of general circulation, published at Castle Dale,
State and County aforesaid, and that a certain notice, a true copy
of which is hereto attached, was published in the full issue of
such newspaper for Four (4)
secutive issues, and that the first publication was on the
10th day of February, 19 87 and that the
last publication of such notice was in the issue of such newspaper
dated the 3rd day of March, 19 87

Dan Stockburger

Subscribed and sworn to before me this
3rd day of March, 19 87

Holly J. Baker
Notary Public.

My Commission expires MY COMMISSION EXPIRES OCTOBER 22, 1990
Residing at Price, Utah

Publication fee, \$ 76.80

PUBLIC NOTICE OF PERMIT APPLICATION
Trail Mountain Coal Company, P.O. Box 550, Orangeville, Utah 84537 has submitted to Utah's Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center/Suite 350, Salt Lake City, Utah 84180-1203, a permit application to mine 641.47 acres located in the Cottonwood Canyon Trail Mountain area. The mine permit area is shown on the USGS 7.5 minute mahogany point quadrangle map. Trail Mountain Coal Company has filed an application with the Division of Oil, Gas, and Mining, State of Utah, for a permit to conduct operations. The proposed permit area contains the following acres:
641.47 Acres
T.17S, R.6E, S.6E, Utah
Sec. 25, S1/2NW1/4, W1/2SW1/4, W1/2E1/2SW1/4
Sec. 26, SE1/4NE1/4, E1/2SW1/4NE1/4, E1/2SE1/4, E1/2W1/2SE1/4
Sec. 35, Lots 1, 2, SE1/4NE1/4, E1/2SW1/4NE1/4, E1/2SE1/4, E1/2W1/2SE1/4
The application contains information regarding environmental resources and the operation and reclamation plan. A copy of the permit application is available at the Emery County Courthouse, Castle Dale, Utah. All comments should be directed to Utah's Division of Oil, Gas and Mining.
Published in the Emery County Progress February 10, 17, 24 and March 3, 1987.

Appendix 2 - Insurance Certificate

Certificate of Insurance



THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.
THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

NAME AND ADDRESS OF AGENCY Marsh & McLennan, Inc. 2121 San Jacinto Street 1300 San Jacinto Tower Dallas, Texas 75201	COMPANIES AFFORDING COVERAGES COMPANY LETTER A National Union Fire Ins. Co. of Pittsburg, PA. COMPANY LETTER B Birmingham Fire Ins. Co. of PA. COMPANY LETTER C COMPANY LETTER D COMPANY LETTER E
NAME AND ADDRESS OF INSURED Diamond Shamrock Corporation and its subsidiaries Trail Mountain Coal 717 N. Harwood Street Company Dallas, Texas 75201	

This is to certify that policies of insurance listed below have been issued to the insured named above and are in force at this time. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EXPIRATION DATE	Limits of Liability in Thousands (000)		
					EACH OCCURRENCE	AGGREGATE
A	GENERAL LIABILITY	GLA 9601735	7/1/86	BODILY INJURY	\$	\$
	<input checked="" type="checkbox"/> COMPREHENSIVE FORM <input checked="" type="checkbox"/> PREMISES—OPERATIONS <input checked="" type="checkbox"/> EXPLOSION AND COLLAPSE HAZARD <input checked="" type="checkbox"/> UNDERGROUND HAZARD <input checked="" type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS HAZARD <input checked="" type="checkbox"/> CONTRACTUAL INSURANCE <input checked="" type="checkbox"/> BROAD FORM PROPERTY DAMAGE <input checked="" type="checkbox"/> INDEPENDENT CONTRACTORS <input checked="" type="checkbox"/> PERSONAL INJURY			PROPERTY DAMAGE	\$	\$
				BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$ 1,000	\$ 2,000
				PERSONAL INJURY		\$ 2,000
A	AUTOMOBILE LIABILITY	BA 9198977 (O/S) GLA 9601735 (TX)	7/1/86	BODILY INJURY (EACH PERSON)	\$ 1,000	
	<input checked="" type="checkbox"/> COMPREHENSIVE FORM <input checked="" type="checkbox"/> OWNED <input checked="" type="checkbox"/> HIRED <input checked="" type="checkbox"/> NON-OWNED			BODILY INJURY (EACH ACCIDENT)	\$ 1,000	
				PROPERTY DAMAGE	\$ 1,000	
				BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	
	EXCESS LIABILITY			BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	\$
B	WORKERS' COMPENSATION and EMPLOYERS' LIABILITY	WC 1122585	7/1/86	STATUTORY		
	OTHER				\$ 1,000	(EACH ACCIDENT)

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES

Comprehensive Liability for All Operations, All States

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

NAME AND ADDRESS OF CERTIFICATE HOLDER:
 State of Utah
 Division of Oil, Gas & Mining
 # 3 Triad Center, Suite 350
 St. Lake City, Utah 84180

DATE ISSUED: 11-19-85
Allen R. [Signature]
 VICE PRESIDENT MARSH & MCLENNAN, INC.
 AUTHORIZED REPRESENTATIVE

Appendix 3 - Tract 2 Lease

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



SERIAL NUMBER

U-49332

COAL LEASE

This lease, is entered into on FEB 18 1983, by the United States of America, the lessor, the Bureau of Land Management, and

Natomas Minerals, Inc.
5970 So. Syracuse St., Ste 124
Englewood, CO 80111

and shall become effective on MAR 1 1983, (effective date), the lessee,

Sec. 1. STATUTES AND REGULATIONS--This lease is issued pursuant and subject to the terms and provisions of the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sections 181-263, hereinafter referred to as the Act; and of the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. Section 1201, et seq., the Federal Coal Leasing Amendments Act of 1976, as amended, 90 Stat. 1083-1092, and, in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of September 7, 1947, as amended, 30 U.S.C. 351-359, et seq. This lease is also subject to all regulations of the Secretary of the Interior (including, but not limited to, 30 CFR Part 211 and Chapter VII and 43 CFR Group 3400), which are now in force or (except as expressly limited herein) hereafter in force, and all of such regulations are made a part hereof.

WITNESSETH:

Sec. 2. RIGHTS OF LESSEE--The lessor, in consideration of any bonus paid (or to be paid if deferred), rents and royalties and other conditions hereinafter set forth, hereby grants and leases to the lessee the exclusive right and privilege to mine and dispose of all coal in

T. 17 S., R. 6 E., SLM, Utah
Sec. 25, S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 26, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$,
E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 35, lots 1, 2, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$,
E $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$.

containing 641.47 acres, more or less, and subject to the conditions, limitations and prohibitions provided in this lease and in applicable acts and regulations, the right to construct all works, buildings, structures, equipment, and appliances which may be necessary and convenient for the mining and preparation of the coal for market, and subject to the conditions herein provided, to use so much of the surface as may reasonably be required in the exercise of the rights and privileges herein granted for a period of 20 years and so long thereafter as the condition of continued operation is met.

Sec. 3 DILIGENT DEVELOPMENT AND CONTINUED OPERATION--The lessee shall engage in the diligent development of the coal resources subject to the lease. After diligent development is achieved, the lessee shall maintain continued operation of the mine or mines on the leased lands. The terms diligent development and continued operation are defined in the applicable regulations in Titles 10, 30, and 43 of the Code of Federal Regulations.

cc; R111 3-9-83
01

Appendix 4 - Permits Required by the Trail Mountain Mine

PERMITS REQUIRED BY TRAIL MOUNTAIN COAL COMPANY

		<u>Date of Approval</u>
1. Mining Permit	Office of Surface Mining	Feb. 19, 1985
2. Mining Permit (Mining under old Permit)	Utah Division of Oil, Gas & Mining (May 11, 1978)	Feb. 19, 1985
3. National Pollutant Discharge Elimination System	Utah Department of Health Environmental Health Division	Nov. 3, 1980
4. Permit Approval on Sediment Pond (less than 2 Ac.-ft.)	Utah Department of Health Environmental Health Division	
	Utah Department of Natural Resources, State Engineer	N/A
5. Special Use Permit Tract 2	U.S. Forest Service Manti-LaSal National Forest	Nov. 3, 1980 N/A
6. Current MSHA I.D. #42-01211	U.S. Department of Labor	March 22, 1983
7. Septic Tank	Utah Division of Health	June 17, 1977
8. Emery County Business Permit	Emery County Commission	Jan. 1, 1983
9. Explosive Permit #942707831	I.R.S.	May 5, 1981
10. Notice of Intent to Mine Coal	State Industrial Commission	June 4, 1981
11. Air Quality	Utah Department of Environmental Health	Letter of Approval (1981)
12. Spill Prevention Control and Counter Measure Plan	U.S. Environmental Protection Agency	Pending
13. Dam Design Review	Dam Safety	N/A

14. Driveway Permit

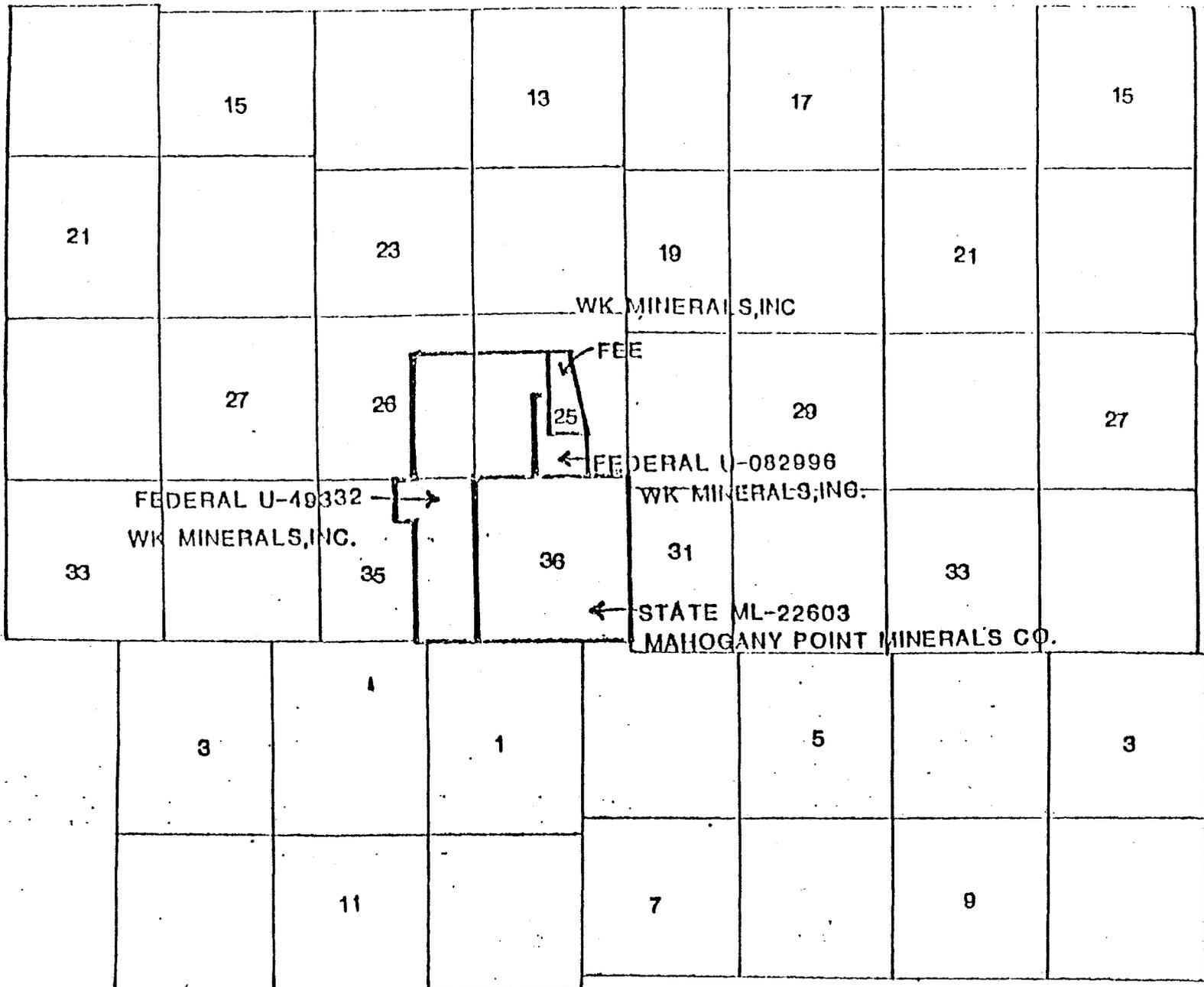
N/A

15. Water Rights

Utah Division of
Appropriation of Water Rights
Record of Diversion

March, 1981

Appendix 5 - Property Controlled by Trail Mountain Coal Company



T.17 S.

T.18 S.

R.6 E.

R.7 E.

PROPERTY CONTROLLED BY TRAIL MNT. COAL COMPANY