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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

April 30, 1987

Mr. Allen Childs
Mining Engineer
Trail Mountain Coal Company
P. O. Box 370
Orangeville, Utah 84537

Dear Mr. *Allen* Childs:

Re: Final Permit Approval, Trail Mountain Coal Company, Trail Mountain Mine Tract 2 Lease, ACT/015/009-1, Folder #2 and #4, Emery County, Utah

Enclosed is the revised state permit for Trail Mountain Coal Company's Trail Mountain Mine. The revised permit includes the Tract 2 Lease along with the existing, approved Tract 1 area. Please examine the permit with stipulations and sign both copies of the attached permit (ACT/015/009-1, 4/87), on page 5 of that document. Upon signing, please keep one copy of the permit for your records and return one original Certified Return Receipt Requested to the Division at your earliest convenience.

A signed and executed performance bond for the Trail Mountain Mine is posted in the amount of \$463,711, payable to the Division of Oil, Gas and Mining. Therefore, upon your signature of the permit, it will become valid and enforceable.

Thank you for your cooperation in this matter. Should you have any questions, please feel free to contact the Division.

Best regards,

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

Dianne R. Nielson
Director

JJW/djh
Enclosures
cc: P. Rutledge R. Hagen
 L. Braxton J. Whitehead
 Price Field Office
0800R/83

FEDERAL
(April 1987)

Permit Number ACT/015/009-1
(Revised 4/87)

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/015/009-1, 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 84537-0570
(801) 748-2140

for the Trail Mountain Mine. Trail Mountain Coal Company is the lessee of federal coal lease U-49332 and U-082996, the lessee of state coal leases ML-22603, and/or the lessee/owner of certain fee-owned parcels. A performance bond is filed with the DOGM in the amount of \$463,711.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining, Reclamation and Enforcement (OSMRE). DOGM 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 underground coal mining activities on the following described lands (as shown on the map appended as Attachment B) 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, SLB&M

Section 25: S1/2 NW1/4, W1/2 SW1/4, W1/2 E1/2 SW1/4, SW1/4 SE1/4, E1/2 E1/2 SW1/4

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

(Township 17 South, Range 6 East, SLBM (Cont'd.))

Section 26: SE1/4 NE1/4, E1/2 SW1/4 NE1/4, E1/2 SE1/4,
E1/2 W1/2 SE1/4

Section 35: N1/2 NE1/4, SE1/4 NE1/4, E1/2 SW1/4 NE1/4,
E1/2 SE1/4, E1/2 W1/2 SE1/4

Section 36: All

This legal description is for the permit area (as shown on Attachment B) of the Trail Mountain Mine. The permittee is authorized to conduct underground coal mining activities connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 PERMIT TERM - This permit expires on February 21, 1990.

Sec. 4 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. 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 RIGHT OF ENTRY - The permittee shall allow the authorized representative of DOGM, including but not limited to, inspectors and representatives of OSMRE, 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 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- A. accelerated monitoring 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 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.
- Sec. 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 DOGM 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 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. 11 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. 12 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. 13 CULTURAL RESOURCES - If, during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is (are) not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.
- Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under UMC 787.
- Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases, the federal mining plan approval, and this permit, the permittee shall comply with the special 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 DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM 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: 4-30-87

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FEDERAL

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

Allen Childs

Authorized Representative of
the Permittee

Date: 5-1-87

APPROVED AS TO FORM:

By: Barbara W Roberts
Assistant Attorney General

Date: 4-30-87

djh
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26-30

Attachment A
Special Conditions

Condition No. 1

The applicant must handle on-site spoil materials to achieve the following:

- A. All materials exceeding electroconductivity (EC) values of 16 mmhos/cm shall be placed under a minimum of two feet of less saline suitable topsoil substitute materials.
- B. The surface six inches of suitable topsoil substitute material shall not exceed EC values of eight mmhos/cm.
- C. The proposed test plots shall include a revegetation trial incorporating topsoil substitute materials having electroconductivity values approximating these limits. Specifically, the surface six inches shall have a uniform EC value of eight, plus or minus one mmho/cm, and the underlying 18 inches shall have a uniform EC value of 16, plus or minus two mmhos/cm.

The applicant shall provide a plan to the Division within 60 days of permit issuance to sample the regraded surface for the purpose of confirming that the salinity values cited above have not been exceeded.

Condition No. 2

Before any site redisturbance takes place, the applicant must conduct a survey, under the supervision of the Division, of the areas to be redisturbed. The survey shall identify and record locations of individuals and populations of Hedysarum occidentale var. canone (canyon sweet-vetch). If canyon sweet-vetch is found in the portions of the permit area to be redisturbed, the applicant must develop a mitigation plan for Division approval before redisturbance takes place.

Condition No. 3

At such time that the Division, in consultation with the State Historic Preservation Officer, determines that subsidence within the permit area may adversely affect known or unrecorded cultural sites, additional cultural resource studies may be required. This determination will be based on new subsidence or cultural resource information and clear justification will be presented to the applicant.

Attachment A
Special Conditions
(Continued)

Condition No. 4

During reclamation the applicant must apply seed at 12-18 lbs./acre the first time with lighter applications for spot treatment, especially for broadcast seeding (USFS Condition 2/85).

Condition No. 5

Within 30 days of permit approval, the water monitoring plan for the Trail Mountain Mine will be amended to include operational monitoring of springs T-10, T-14, T-14a, T-15, T-16, and T-6, (USFS Condition 4/87).

Condition No. 6

By August 31, 1987, the applicant will verify the existence of the unnamed spring referenced in the U.S. Forest Service letter to the Office of Surface Mining dated April 8, 1987. If the spring exists, the approved permit application will be amended to include the spring in the water monitoring inventory, operational monitoring plan, and appropriate figures (7-1 and 7-3) (USFS Condition 4/87).

Condition No. 7

Within 30 days of permit approval, Section 7.1.3.1 of the approved permit application will be amended to reflect that water right filings by the U.S. Forest Service are pending with the State Engineer for several of the springs identified in the spring inventory (USFS Condition 4/87).

Condition No. 8

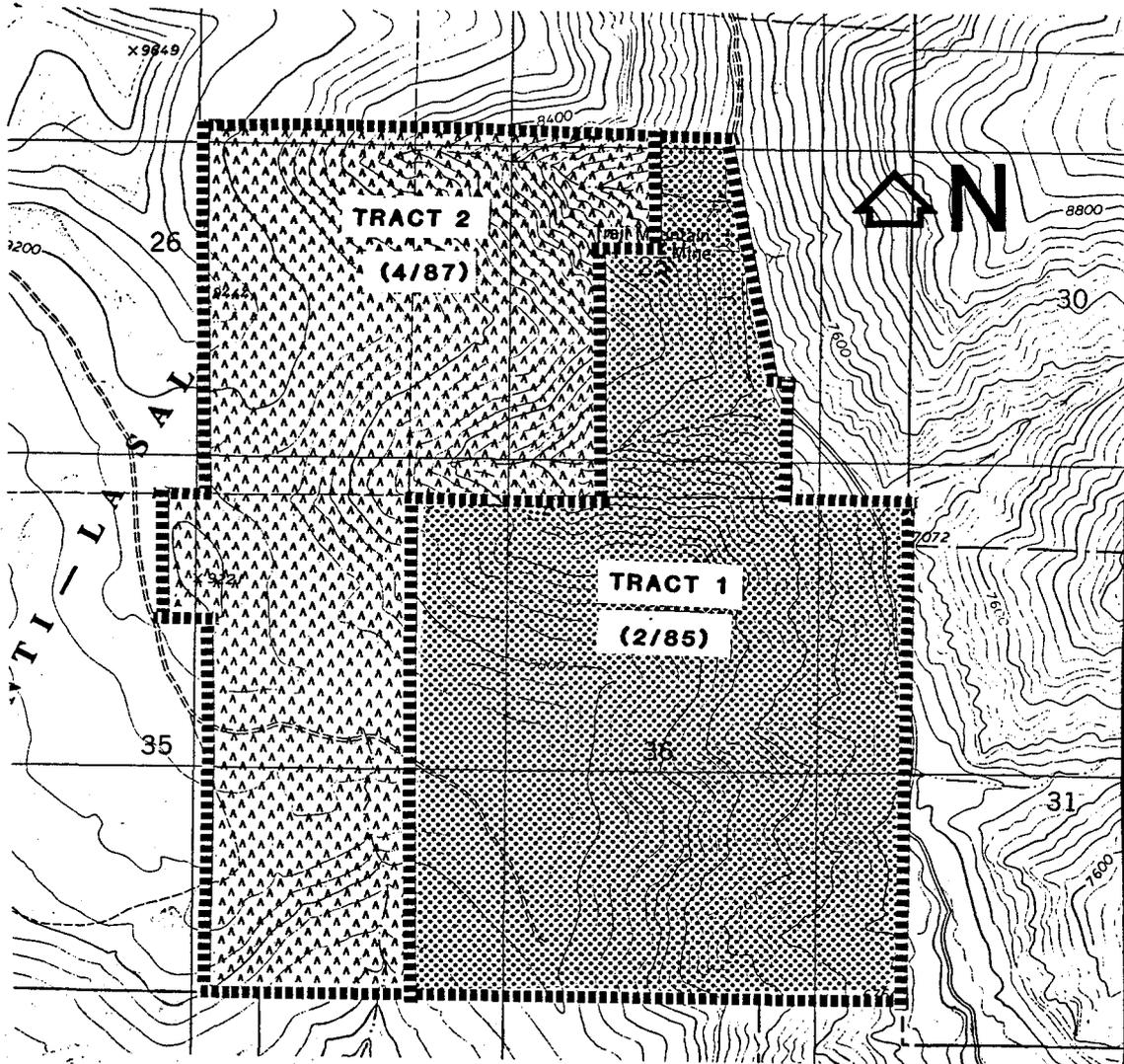
Underground coal mining activities shall not commence within Federal Lease U-49332 until the Mining Plan Modification is approved by the U.S. Department of the Interior. The Division reserves the right to amend this permit (ACT/015/009-1) to incorporate any changes or requirements set out in the approved Mining Plan Modification.

1134R/31-32

ATTACHMENT B

Trail Mountain Coal Company
Trail Mountain Mine
Permit Area
ACT/015/009-1

(Township 17 South, Range 6 East SLBM)



Scale 1":24000"

(adapted from plate 4-3, Tract 2 application 3-87)