

File ACT/015/009 #2
Copy Pam, Hugh



Mountain Coal Company
 Trail Mountain Mine
 Post Office Box 1378
 Price, Utah 84501
 Telephone 801 637-5050 (Price Office)
 801 637-5203 (Mine Office)
 801 748-2140 (Mine Site)

November 25, 1991

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DIVISION OF
 OIL GAS & MINING

Pamela Grubaugh-Littig
 Permit Supervisor
 Utah Division of Oil, Gas & Mining
 355 West North Temple
 3 Triad Center, Suite 350
 Salt Lake City, Utah 84180-1203

Re: Special Condition R614-301-731.200
 Federal Lease Tract Approval
 Trail Mountain Mine
 ACT/015/009; Folder #2
 Emery County, Utah

Dear Ms. Littig:

Special Condition R614-301-731.200 of the Trail Mountain Federal Lease Tract Approval states in part: "The applicant must monitor quality and quantity of the Star Point aquifer at the point where flow in the aquifer leaves the permit area. The most likely place to develop this monitoring site is in the area near DH-5 (Figure 6-4)."

On August 12, 1991, Mountain Coal Company requested an extension of time to meet the requirements of the Special Condition. This extension was granted on August 13, 1991. The extension was originally requested due to a change in company geologists, to allow time for the new geologist to become oriented and catch up on the proposed drilling programs. Since that time a number of explanation permits have been filed, including those necessary for approval on the monitoring well.

On September 2, 1991, Mountain Coal Company submitted a proposal for development of a monitoring well at the location proposed by the Division. Shortly after the submittal was made, the B.L.M. informed us that because the proposed site involved Federal Coal, we would have to file an exploration plan and publish the proposed drilling with invitations for others to participate in the exploration. Permitting of this site would also involve the U.S. Forest Service and Department of Transportation.

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A letter was sent to us on October 4, 1991 by the Division requesting the proposed well location be changed. The October 2, 1991 memo from Hugh Klein attached to the letter suggests that the well be moved down the canyon to a point north of the highway and outside the Co-Op Development property in Section 11, T.18 S., R.6.E. If this point can be located along the highway, it may be feasible; however, the hole would still be on unleased land and would require resubmittal of plans and permitting by the B.L.M., U.S.F.S., and D.O.T. If the hole were required to be located closer to, or on, the permit boundary, it would be in an extremely inaccessible area. This would require the hole to be very deep (1,500'+) and almost impossible to monitor during the winter months.

In view of the new proposed location, I would like to propose an alternative to the monitoring well. The aquifer we are concerned about is the Star Point. The aquifer outcrops in Section 11, where the old Black Diamond and Oliphant Mines were located. Water consistently flows from the Oliphant Mine (located furthestmost up Straight Canyon). The source of this water is obviously the Star Point aquifer. We have monitored this water for a number of years, and we continue to do so in accordance with an approved water monitoring plan. This location is shown on Plate 7-9 of the Lease Permit Application as site T-18. If what we are really trying to accomplish is the monitoring of quality and quantity of the Star Point aquifer, and if the Section 11 site is the better area as suggested by Hugh Klein, then I propose that the water monitoring well requirement be eliminated and we continue to monitor the aquifer at site T-18 with the approved frequency and parameters. This monitoring will meet the requirements of the Special Condition, and will result in virtually no further impact on the environment by eliminating the need to drill a well.

Because of the new proposals both by the Division and Mountain Coal Company, additional time will be needed to resolve this issue. I am therefore requesting that the time to comply with this Special Condition be extended a minimum of 180 days (and preferably indefinitely) to allow for necessary approvals as well as reasonable weather conditions. Of course, if the Division were to accept the proposal on T-18, as we hope you will, such a lengthy extension of time wouldn't be necessary.

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I appreciate your willingness to work with us on this complicated issue. If you have any questions, or need any further information, please let me know.

Respectfully,

A handwritten signature in cursive script, appearing to read "Dan W. Guy".

Dan W. Guy
Manager Permitting/Compliance

cc: Dave Arnolds
Johnny Coffey
Rick Parkins
Mark Scanlon
File