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Permit Number ACT/015/017 , 8/85

RECEIVED

AUG 29 1985

DIVISION OF OIL GAS & MINING

STATE OF UTAH
RTMENT OF NATURAL RESOURCES
SION OF OIL, GAS AND MINING
355 West North Temple
Triad Center, Suite 350
Lake City, Utah 84180-1203
(801) 538-5340

This permit, ACT/015/017, which incorporates the Office of Surface Mining (OSM) Permit UT-0015, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Utah Power & Light Company
1407 West North Temple, P. O. Box 899
Salt Lake City, Utah 84110

for the Des-Bee-Dove Mine. Utah Power & Light Company is the lessee of federal coal leases U-02664, SL-050133 and SL-066116, the lessee of state coal leases NA, and/or the lessee/owner of certain fee-owned parcels 1,160 acres. The permit is not valid until a performance bond is filed with the DOGM in the amount of $1,837,712.00, 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 Des-Bee-Dove Mine situated in the state of Utah, Emery County, and located:

Township 17 South, Range 7 East, Salt Lake Meridian

Sec. 11: E1/2, E1/2 W1/2
Sec. 12: W1/2 NW1/4, NW1/4 SW1/4
Sec. 13: SE1/4 SW1/4
Sec. 14: W1/2, W1/2 E1/2, NE1/4 NE1/4, SE1/4 SE1/4
Sec. 23: All
Sec. 24: W1/2, W1/2 SE1/4
Sec. 25: W1/2 SW1/4
Sec. 26: N1/2, N1/2 SE1/4, NE1/4 SW1/4
Sec. 35: portions of the E1/2 E1/2
Sec. 36: portions of the N1/2 NW1/4

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FEDERAL
(February 1985)

Permit Number ACT/015/017 , 8/85

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
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Sec. 13: SE1/4 SW1/4
Sec. 14: W1/2, W1/2 E1/2, NE1/4 NE1/4, SE1/4 SE1/4
Sec. 23: All
Sec. 24: W1/2, W1/2 SE1/4
Sec. 25: W1/2 SW1/4
Sec. 26: N1/2, N1/2 SE1/4, NE1/4 SW1/4
Sec. 35: portions of the E1/2 E1/2
Sec. 36: portions of the N1/2 NW1/4

Township 18 South, Range 7 East, Salt Lake Meridian
Sec. 2: portions of the W1/2 NE1/4, portions of the NE1/4 SW1/4

This legal description is for the permit boundary (as shown on the permit area map) of the Des-Bee-Dove 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-0015, issued June 20, 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 The permittee shall minimize any adverse impact to the environment or public health and safety including 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 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 The lessee 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 and OSM 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 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-0015 and this permit, the permittee shall comply with the special conditions of OSM permit UT-0015 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: August 15, 1985

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

Authorized Representative of
the Permittee

Date: August 29, 1985

APPROVED AS TO FORM:

By: Barbara W Roberts
Assistant Attorney General

Date: August 15, 1985

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ATTACHMENT A

Office of Surface Mining Special Conditions

1. Within 90 days of the effective date of this permit, the permittee must submit to the regulatory authority (RA) for review and approval, alternative sediment control plans for the Deseret sediment pond site. These plans must address the timing and critical milestones of sediment pond removal during the reclamation liability period, methods (including maintenance plans) for control of sediment leaving the reclaimed disturbed areas, and maps showing the designs.

2. If toxic materials are encountered at the Des-Bee-Dove Mine Complex, the permittee shall either obtain written permission from the Forest Supervisor (Manti-LaSal National Forest) and the RA to bury toxic waste material on National Forest System lands, or submit for approval, by the RA an alternate site for burying toxic waste material.

3. The permittee shall either obtain written permission from the Forest Supervisor (Manti-LaSal National Forest) to relocate the access gate to the mine facilities from its current location to the proposed postmining location, or submit a commitment to leave the gate at its current location.

4. Within 30 days of the effective date of this permit, the permittee must demonstrate that the long-term stability of the cut structure at Station 125+00, along the Des-Bee-Dove/Wilberg Junction Road presently meets the 1.5 safety static factor requirement for UMC 817.101(b)(1).

5. At such time OSM, in consultation with the Utah Division of Oil, Gas and Mining and the State Historic Preservation Office, determines that subsidence within the permit area may adversely affect known or unrecorded cultural sites, additional cultural resources studies may be required. This determination will be based on new subsidence or cultural resource information and clear justification will be presented to the permittee.

Division of Oil, Gas and Mining Special Conditions

Stipulation 817.124-(1, 2, 3)

1. The applicant shall, within 30 days of permit approval, commit to restoring areas impacted by subsidence caused surface cracks or other subsidence features such as escarpments (not to include naturally occurring escarpments which are not a result of mining) which are of a size or nature that could, in the Division's determination, either injure or kill grazing livestock. Restoration shall

include recontouring of the affected land surface including measures to prevent rilling, and revegetation in accordance with the approved permanent revegetation plan in the MRP. Restoration shall be undertaken after annual subsidence survey data indicate that the surface has stabilized, but in all cases restoration and revegetation shall be completed prior to bond release.

2. The applicant shall, within 30 days of permit approval, commit to compensate surface owners, except for land owned by the applicant, for lands which cannot be safely grazed due to hazards caused by surface effects of subsidence, with land (in close proximity) of comparable size and grazing capacity to be used for grazing until restoration of the damaged land is achieved

3. The applicant shall, within 30 days of permit approval, commit to compensate at a fair market value owners of livestock which are injured or killed as a direct result of surface hazards caused by subsidence.

ADDENDUM TO THE OFFICE OF SURFACE MINING
TECHNICAL ANALYSIS

Utah Power & Light Company
Des-Bee-Dove Mines
ACT/015/017, Emery County, Utah

UMC 817.124 Subsidence Control: Surface Owner Protection - RVS

Existing Environment and Applicant's Proposal

Tension cracks related to subsidence occur within and adjacent to the permit area (Utah Power & Light Company, Subsidence Monitoring Program, Annual Report for 1984, Figure 18, page 13, Figure 25 and Figure 5). Predicted maximum subsidence for portions of the mine workings exceed seven feet and observed subsidence is greater than five feet (Subsidence Monitoring Program, Annual Report for 1984, page 15). The applicant indicates surface tension cracks located over the northwest portion of the mine workings are minor and that land-use has not been affected (Subsidence Monitoring Program, Annual Report for 1984, page 17).

Compliance

Vertical movement and associated upward propagation of tension cracks to the surface have reduced the reasonably foreseeable use of surface lands within and adjacent to the permit area. Specifically, certain areas characterized by surface tension cracks pose a potential hazard to livestock grazing. The applicant has not provided a mitigation plan that adresses surface owner compensation and restoration of surface lands affected by subsidence as required by UMC 817.124

The applicant will be in compliance when the following stipulations are met.

If other subsidence caused effects occur in the future, although unforseen at present, the applicant will need to address specific mitigation measures on a case-by-case basis in accordance with applicable regulations.

Stipulation 817.124-(1, 2, 3)-RVS

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