

0006

UTAH POWER & LIGHT COMPANY

SL-064900

1407 WEST NORTH TEMPLE STREET
P. O. BOX 899
SALT LAKE CITY, UTAH 84110

DAVID R. NEILSON
MOR. LANDS &
AD VALOREM TAXES
850-3218

KENNETH E. CRELLIN
TAX REPRESENTATIVE
850-3221

July 21, 1977

*Jack - Return to Brian after
your review*

RIGHT OF WAY
REPRESENTATIVES

VARLAN CLARK
850-3227

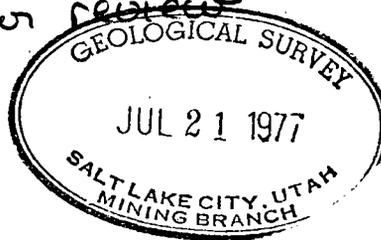
RAY A. HOLMES
850-3228

RAULAND BALLARD
850-3725

HELEN F. JOHNSON
850-3291

MELFORD P. CRAVEN
850-3226

Mr. Jackson Moffitt
U.S. Geological Survey
Area Mining Supervisor
Conservation Division
8426 Federal Building
125 South State Street
Salt Lake City, Utah 84138



Reference: SL-064900

Dear Mr. Moffitt:

In reference to your letter of June 15, 1977, referenced SL-064900 to Merrill Heward, Utah Power & Light Company's Manager of Mining and Exploration. Mr. Heward has forwarded a request to my office to contact the property owners on East Mountain, Township 17 South, Range 7 East, Salt Lake Meridian, to negotiate and resolve the indemnity of the land owners in the event there is subsidence to the surface lands resulting from underground mining operations of the Deer Creek Coal Mine.

Utah Power & Light Company's right of way representative, Mr. Kenneth Crellin, has contacted the surface owners and negotiated with them for the fee taking of the surface lands, and in the same request, permission to continue with exploratory drilling during the period of negotiations.

Mr. Crellin has contacted Mr. Kent Barton. "Kent Barton lives in California and has a conflict with his children as to the selling of their rights. Negotiations are still in force to purchase this property. Kent Barton is favorable and will convey to the power company his interests when he resolves this question with his children."

Mr. Crellin has contacted Anderson Land and Livestock Company. "They are in favor of negotiating with Utah Power & Light Company, but do not want a sale and purchase. They are in favor of a trade agreement for tax purposes. They are in the process of finding the appropriate property for Utah Power & Light Company to buy and trade them for their property on East Mountain. Permission to drill has been granted by Anderson Land and Livestock Company."

Edward & Clay Crawford and Annette Jensen. "These three people have been contacted. One lives in Salt Lake City and is in favor at this time to negotiate with Utah Power & Light Company. He has stated that his brother and sister would be in town in June. They have not made it to Salt Lake City as yet; however, we have written to them our request to purchase this property, but we have not received word back from them. Ed Crawford stated that he would prefer to wait and see what happens to a bill currently before the U.S. Legislature on the Surface Mining Bill."

Jerald Barton has signed an option for Utah Power & Light Company to purchase his property and has signed an agreement for negotiation of surface damages. An abstract of title has been ordered in preparation for Utah Power & Light Company to consummate this option.

Seely Land and Livestock Company and Karl A. Seely, Inc. These two properties are owned and controlled by Mr. Montell Seely of Castledale, Utah. I have on numerous occasions tried to negotiate a sale of his property to Utah Power & Light Company and/or an agreement for payment of damages due to subsidence. Mr. Seely has been very obstinate and in no way is agreeable to negotiate with us for either of these conveyances. We have, on one occasion, tried to trade a farm in Huntington for his interest on East Mountain and on another occasion tried to trade another farm in Huntington for his interest and have offered to purchase property in Soldier Summit to trade, all of which Mr. Seely has refused to negotiate with. At this time, our negotiations have ceased with Mr. Seely and we do not intend to resume them.

Elk Springs Property Users Association. This is a group of some 65 educators from the Granite School District in Salt Lake County owning 99 shares of stock. A meeting was held July 20, 1977 with this group and their general feeling was that Utah Power & Light Company must be after something other than surface or subsidence rights and that they wish to investigate more into the reasons for Utah Power & Light Company to pick up the ownership of these surface rights and the fair market value of their property. They have delayed for one month any action taken upon Utah Power & Light Company's request. They did, however, vote to allow Utah Power & Light Company to drill on their property.

The Utah Power & Light Company Legal Department presented a Certificate of Indemnification for signature of the property owners to protect them during the period of negotiations for the fee taking or in the case they did not elect to sell the land. In every instance, the land owners preferred to not sign the agreement because they questioned the need of the agreement inasmuch as arms length negotiations were in affect.

The Utah Power & Light Company abstained from the use of the interim agreement. I am enclosing affidavits signed by Mr. Kenneth Crellin varifying his contacts with the land owners mentioned herein and stated in the affidavits. Also, a copy of the interim agreement presented to the property owners for signature.

I feel that we have made a conscientious and forthright effort to acquire the necessary instruments to protect the surface owners from subsidence damages and would request at this time that you, through your authority, initiate the necessary action to provide Utah Power & Light Company with permits to progress with their drilling program on East Mountain.

It is urgent that Utah Power & Light Company progress with this summer's drilling at the earliest possible time and we would appreciate your consideration of this fact.

Also, as stated herein and disclosed are facts for the consideration of approval for the mining plans submitted for the Deer Creek project.

We wish to thank you for your past assistance and courtesies.

Very truly yours,



David R. Neilson, Manager
Lands & Ad Valorem Taxes

DRN/sh

Enclosures

cc: D. Bryner

M. Heward

V. Topham

THIS AGREEMENT made and entered into by and between UTAH POWER & LIGHT COMPANY, hereinafter referred to as COMPANY, and _____ and _____, his wife, hereinafter referred to as OWNERS.

WITNESSETH:

WHEREAS, COMPANY proposes to engage in coal mining operation in the area of OWNERS property; and

WHEREAS, the parties desire to enter into an Agreement providing for payment of damages, if any, to OWNER'S property which may result from said coal mining operations.

NOW, THEREFORE, it is hereby agreed as follows:

1. For and in consideration of the sum of \$ _____, plus other good and valuable consideration, OWNERS agree that COMPANY may commence and continue coal mining operations in the area encompassing OWNER'S property.

2. That amount of damages, if any, occurring to OWNERS property will be based upon agreement by the COMPANY and OWNERS and in the event no such agreement can be reached, then such damages will be determined by an independent qualified property appraiser, selected by either party with the concurrence of the other party.

3. This Agreement will continue in full force and effect as long as COMPANY conducts mining operation adjacent to or under the property of OWNERS. In the event the COMPANY subsequently purchases OWNERS property, or otherwise acquires surface rights to such property, this Agreement will automatically terminate.

4. OWNERS represent that they are the fee title owners of the following described property and that they have full legal right to enter into this Agreement with respect thereto:



1977. AGREED and ENTERED into this _____ day of _____,

UTAH POWER & LIGHT COMPANY

By _____

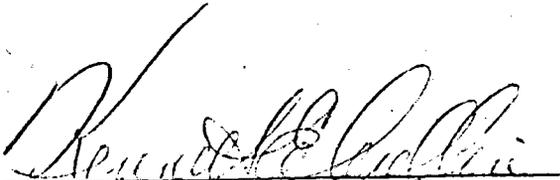
AFFIDAVIT

STATE OF UTAH)
 : ss.
County of Salt Lake)

KENNETH CRELLIN, being first duly sworn on oath, deposes and says that he is negotiating with Mr. Kent Barton, for the purchase of certain surface rights to property in Emery County, generally located in the N 1/2 of Section 4, 5, 6, T 17S S. R. 7 E, SLM, and that until those negotiations can be concluded, the owners thereof are reluctant to sign a written agreement to allow Utah Power & Light Company to conduct exploratory drilling operations thereon because they feel that the written agreement may weaken their negotiating positions.

They have, however, given verbal approval and permission for the drilling program and have accepted the sum of \$ 100.00 in compensation for such consent.

DATED this 21st day of July, 1977.


KENNETH CRELLIN

SUBSCRIBED and SWORN TO before me this 21st day of July, 1977.


NOTARY PUBLIC, residing in
Salt Lake County, Utah

My Commission Expires:

5-78-80

AFFIDAVIT

STATE OF UTAH)
 : ss.
County of Salt Lake)

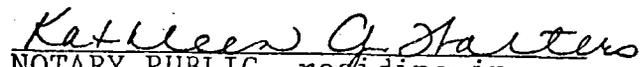
KENNETH CRELLIN, being first duly sworn on oath, deposes and says that he is negotiating with Elk Springs Property Users Assoc. for the purchase of certain surface rights to property in Emery County, generally located in the _____ of Sections 4, 5 & T 17S S. R. 7 E, SLM, and that until those negotiations can be concluded, the owners thereof are reluctant to sign a written agreement to allow Utah Power & Light Company to conduct exploratory drilling operations thereon because they feel that the written agreement may weaken their negotiating positions.

They have, however, given verbal approval and permission for the drilling program and have accepted the sum of \$ 50.00 in compensation for such consent.

DATED this 21st day of July, 1977.


KENNETH CRELLIN

SUBSCRIBED and SWORN TO before me this 21st day of July, 1977.


NOTARY PUBLIC, residing in
Salt Lake County, Utah

My Commission Expires:

5-18-80

AFFIDAVIT

STATE OF UTAH)
 : ss.
County of Salt Lake)

KENNETH CRELLIN, being first duly sworn on oath, deposes and says that he is negotiating with Seely Land & Livestock Co, & Karl A. Seely for the purchase of certain surface rights to property in Emery County, generally located in the _____ of Section 8, 9, 17, T 17S S. R. 7 E, SLM, and that until those negotiations can be concluded, the owners thereof are reluctant to sign a written agreement to allow Utah Power & Light Company to conduct exploratory drilling operations thereon because they feel that the written agreement may weaken their negotiating positions.

They have ^{not}, however, given verbal approval and permission for the drilling program and have ^{not} accepted the sum of \$ _____ in compensation for such consent.

DATED this 21st day of July, 1977.


KENNETH CRELLIN

SUBSCRIBED and SWORN TO before me this 21st day of July, 1977.


NOTARY PUBLIC, residing in
Salt Lake County, Utah

My Commission Expires:

5-18-80

AFFIDAVIT

STATE OF UTAH)
 : ss.
County of Salt Lake)

KENNETH CRELLIN, being first duly sworn on oath, deposes and says that he is negotiating with Anderson Land & Livestock Co., for the purchase of certain surface rights to property in Emery County, generally located in the _____ of Section 18, 19, T 17S S. R. 7 E, SLM, and that until those negotiations ^{20 & 21} can be concluded, the owners thereof are reluctant to sign a written agreement to allow Utah Power & Light Company to conduct exploratory drilling operations thereon because they feel that the written agreement may weaken their negotiating positions.

They have, however, given verbal approval and permission for the drilling program and have accepted the sum of \$ _____ in compensation for such consent.

DATED this 21st day of July, 1977.


KENNETH CRELLIN

SUBSCRIBED and SWORN TO before me this 21st day of July, 1977.


NOTARY PUBLIC, residing in
Salt Lake County, Utah

My Commission Expires:

5-78-80

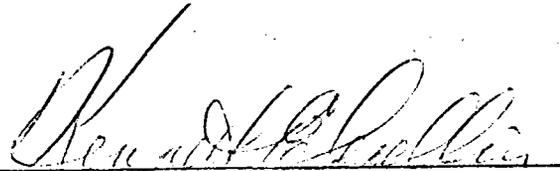
AFFIDAVIT

STATE OF UTAH)
 : ss.
County of Salt Lake)

KENNETH CRELLIN, being first duly sworn on oath, deposes ^{Annette} and says that he is negotiating with Edward & Clay Crawford & Jensen for the purchase of certain surface rights to property in Emery County, generally located in the E 1/2 of Section 21, T 17S S. R. 7 E, SLM, and that until those negotiations can be concluded, the owners thereof are reluctant to sign a written agreement to allow Utah Power & Light Company to conduct exploratory drilling operations thereon because they feel that the written agreement may weaken their negotiating positions.

They have, however, given verbal approval and permission for the drilling program and have accepted the sum of \$ _____ in compensation for such consent.

DATED this 21st day of July, 1977.


KENNETH CRELLIN

SUBSCRIBED and SWORN TO before me this 21st day of July, 1977.


NOTARY PUBLIC, residing in
Salt Lake County, Utah

My Commission Expires:

5-18-80