0003

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

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

October 3, 1988

Mr. J. Brett Harvey
Vice President & General Manager
Mining Division
Utah Power and Light Company
1707 West North Temple
Salt Lake City, Utah 84116

Dear Mr. Harvey:

Re: Revised State Permit, Utah Power and Light Company, Cottonwood/Wilberg Mine, ACT/015/019, Folder No. 3, Emery County, Utah

Enclosed is a revised permanent program mining permit for the Cottonwood/Wilberg Mine. Two copies of the permit are included. Please read the stipulations in Attachment A, then sign both copies of the permit and return one to the Division.

This permit incorporates remaining stipulations from the OSM permit, along with DOGM stipulations. Please note the revised language negotiated between the Division, UP&L, and OSM has been utilized to replace OSM Condition Number 2 regarding water replacement. Additionally, the revised permit will still expire on the original permit expiration date, July 6, 1989.

Best regards,

Dianne R. Nielson
Director

JJW/djh
Enclosures
cc: P. Rutledge
R. Hagen
WP+/45

an equal opportunity employer

FEDERAL
(April 1987)

Permit Number ACT/015/019, September 30, 1988
(Revised)

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/015/019, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Utah Power and Light Company
P. O. Box 899
Salt Lake City, Utah 84110
(801) 220-4227

for the Cottonwood/Wilberg Mine. Utah Power and Light Company (UP&L) is the lessee of federal coal leases SL-064900, U-1358, SL-070645-U-02292, U-084923, U-084924, U-083066, U-040151, U-044025, U-47978, and the owner/lessee of certain fee-owned parcels. A performance bond is filed with the DOGM in the amount of $1,294,522.00, 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 Cottonwood/Wilberg Mine, situated in the state of Utah, Emery County, and located:

Federal

Township 17 South, Range 6 East, SLM

Section 1: SE1/4, E1/2 SW1/4, S1/2 SE1/4 NE1/4, SE1/4 SW1/4 NE1/4;
Section 12: E1/2, E1/2 W1/2;
Section 13: E1/2, E1/2 W1/2;
Section 24: E1/2, E1/2 W1/2;
Section 25: N1/2 NE1/4, E1/2 NW1/4 SE1/4;

Township 17 South, Range 7 East, SLM

Section 6: Lots 9, 10, 11; W1/2 W1/2 SW1/4;
Section 7: Lots 1, 2, 3, 4; W1/2 NW1/4 NW1/4; SW1/4 NW1/4; S1/2;
Section 8: S1/2 SW1/4, S1/2 NW1/4 SW1/4, SW1/4 NE1/4 SW1/4, S1/2 S1/2 SE1/4, N1/2 SW1/4 SE1/4;
Section 9: S1/2 S1/2 SW1/4, SE1/4 SE1/4, S1/2 SW1/4 SE1/4, NE1/4 SW1/4 SE1/4, SE1/4 NE1/4 SE1/4;
Section 10: S1/2 SW1/4, S1/2 N1/2 SW1/4;
Section 15: N1/2, SW1/4;
Section 16: All
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: All
Section 22: NW1/4, S1/2;
Section 27: NW1/4, N1/2 SW1/4, NE1/4;
Section 28: All
Section 29: All
Section 30: All
Section 31: Lot 1, E1/2, E1/2 W1/2;
Section 32: All
Section 33: N1/2, SW1/4, W1/2 SE1/4;
Section 34: S1/2 NW1/4, NW1/4 NW1/4, E1/2 SE1/4 NW1/4 NE1/4, S1/2 SE1/4 NE1/4, E1/2 NW1/4 NE1/4 SE1/4, NE1/4 NE1/4 SE1/4, N1/2 SE1/4 NE1/4 SE1/4, E1/2 NE1/4 SE1/4, NW1/4 NE1/4 SE1/4;
Section 35: NW1/4 SW1/4 SW1/4, W1/2 NE1/4 SW1/4 SW1/4, SW1/4 NW1/4 SW1/4, W1/2 NW1/4 NW1/4 SW1/4;

Township 18 South, Range 7 East, SLM

Section 4: NW1/4 NE1/4, N1/2 NW1/4;
Section 5: N1/2 NE1/4, NW1/4;

Fee

Township 17 South, Range 6 East, SLM

Section 25: NE1/4 SE1/4, SE1/4 NE1/4, E1/2 SW1/4 NE1/4;

Township 17 South, Range 7 East, SLM

Section 10: SW1/4 SE1/4, S1/2 SE1/4 SE1/4;
Section 11: S1/2 SW1/4 SW1/4;
Section 14: W1/2 W1/2 NW1/4, W1/2 E1/2 W1/2 NW1/4, W1/2 W1/2 W1/2 SW1/4;
Section 15: SE1/4;
Section 22: NE1/4;

Beginning at the SE corner of NE1/4 SE1/4 Section 25, Township 17 South, Range 6 East, SLM, thence North 160 rods, West 116 rods to center line of Cottonwood Creek; thence Southerly along center line of said creek to a point 84 rods West of the beginning; thence East 84 rods to the beginning.

This legal description is for the permit area (as shown on Attachment B) of the Cottonwood/Wilberg Mine and Waste Rock Disposal Area. The permittee is authorized to conduct underground coal mining activities and related surface activities 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 revised permit becomes effective on September 30, 1988 and expires on July 6, 1989.

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 the 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 mining and reclamation plan and 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 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: October 3, 1988

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

_____

Authorized Representative of
the Permittee

Date: _____

APPROVED AS TO FORM:

By: Barbara W. Roberts
Assistant Attorney General

Date: October 3, 1988

Cottonwood/Wilberg Mine
Attachment "A"
Special Conditions
September 30, 1988

Condition No. 1

The permittee shall conduct portal closure activities for the Newberry Canyon breakout during the period from July 1 to January 31.

Condition No. 2

In order to fulfill the requirement to restore the land affected by permittee's mining operations to a condition capable of supporting the current and postmining land uses which are stated in the permit (Cottonwood/Wilberg Mine Plan, pages 2-175 through 2-180, and page 4-38), the permittee will replace water determined to have been lost or adversely affected as a result of permittee's mining operations if such loss or adverse impact occurs prior to final bond release. The water will be replaced from an alternate source in sufficient quantity and quality to maintain the current and postmining land uses which are stated in the permit (Cottonwood/Wilberg Mine Plan, pages 2-175 to 2-180 and 4-38).

During the course of regular monitoring activities required by the permit, or as the permittee otherwise acquires knowledge, the permittee will advise the Division of the loss or adverse occurrence discussed above, within ten working days of having determined that it has occurred. Within ten working days after the Division notifies the permittee in writing that it has determined that the water loss is the result of the permittee's mining operation, the permittee shall meet with the Division to determine if a plan for replacement is necessary, and if so, to establish a schedule for submittal of a plan to replace the affected water. Upon acceptance of the plan by the Division, the plan shall be implemented. Permittee reserves the right to appeal the Division's water loss determination as well as the proposed plan and schedule for water replacement as provided by Utah Code Ann. 40-10-22(3)(a).

Condition No. 3

Prior to Utah Power and Light Company moving construction equipment on the Manti-LaSal National Forest in Cottonwood Canyon, UP&L will obtain required Road Use permits from the U.S. Forest Service.

Condition No. 4

Utah Power and Light Company shall not bury any waste, toxic or natural, on the Manti-LaSal National Forest lands.

Condition No. 5

At such time that the Division of Oil, Gas and Mining in consultation with the SHPO 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 permittee.

Condition No. 6

A. The applicant shall restore 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 PAP. 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.

B. The applicant shall 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.

C. The applicant shall compensate at a fair market value, owners of livestock which are injured or killed as a direct result of surface hazards caused by subsidence.

djh
WP+26/1:8

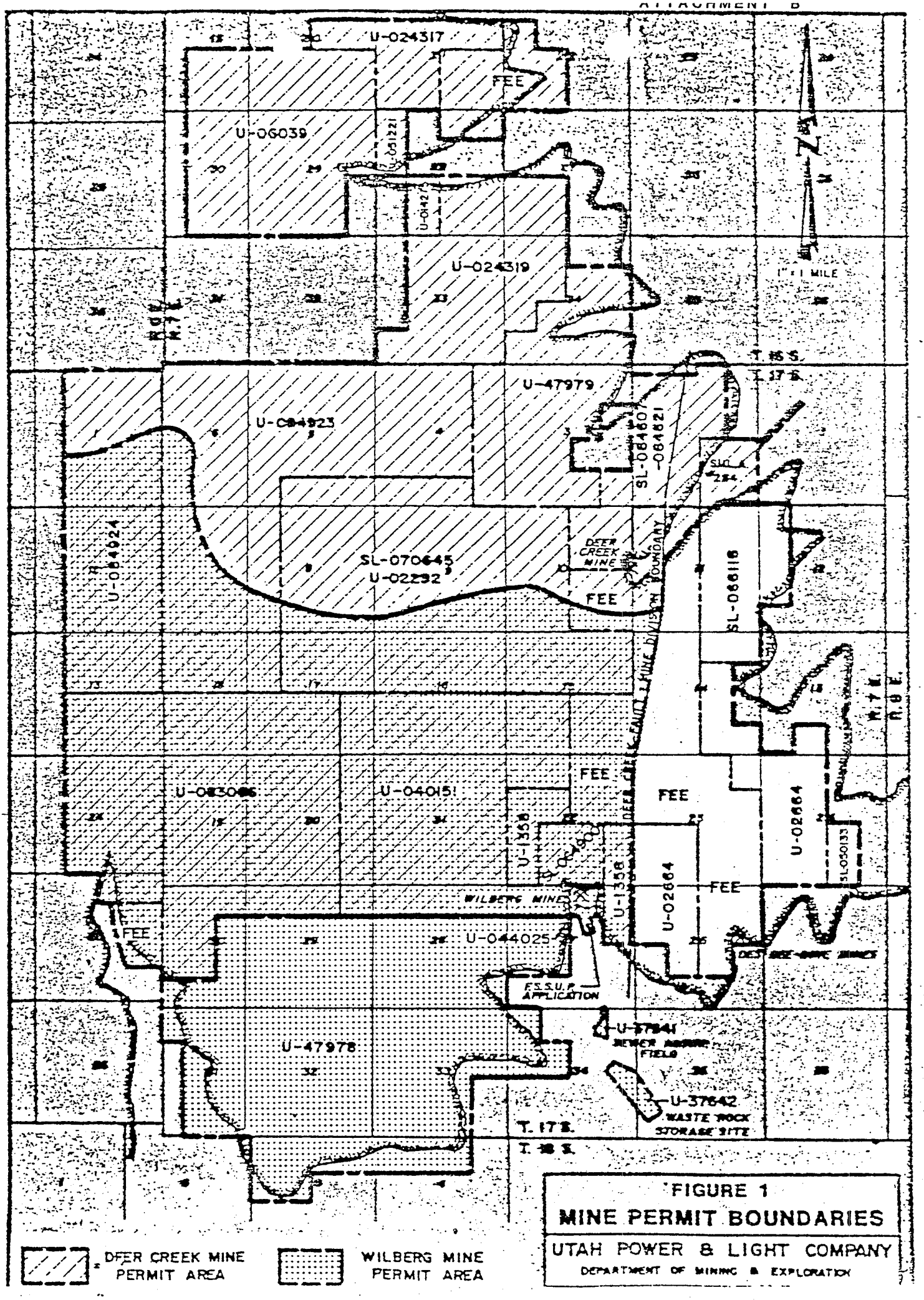

FIGURE 1
MINE PERMIT BOUNDARIES
UTAH POWER & LIGHT COMPANY
DEPARTMENT OF MINING & EXPLORATION