

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/015/025, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

Co-Op Mining Company  
P. O. Box 1245  
Huntington, Utah 84528  
(801) 381-2450

for the Bear Canyon Mine. A collateral bond (Irrevocable Letter of Credit) is filed with the Division in the amount of \$290,000, payable to the State of Utah, Division of Oil, Gas and Mining. The Division 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 within the permit area at the Bear Canyon Mine, situated in the state of Utah, Emery County, and located:

**Township 16 South, Range 7 East, SLBM**

Section 14: S1/2

Section 23: E1/2, E1/2 NW1/4, E1/2 SW1/4

Section 24: All land West of North-South Trending Bear Canyon Fault

Section 25: All land West of North-South Trending Bear Canyon Fault

Section 26: NE1/4 NE1/4, NW1/4 NE1/4, N1/2 SW1/4 NE1/4 and the access/haul road and topsoil storage area as shown on Plate 2-1 of the Mining and Reclamation Plan

This legal description is for the permit area of the Bear Canyon Mine. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

**Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

**Sec. 4 PERMIT TERM** - This permit becomes effective on May 20, 1991 and expires on November 2, 1995.

**Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. 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 R614-303-300.

**Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), 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, R614-400-220, 30 CFR 842.13 and R614-400-110;
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R614-400-100 and R614-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

**Sec. 7 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 approved plan and approved for the term of the permit and which are subject to the performance bond.

**Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary 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. 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 the Division 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 EXISTING STRUCTURES** - As applicable, the permittee will comply with R614-301 and R614-302 for compliance, modification, or abandonment of existing structures.

**Sec. 11 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

**Sec. 12 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. 13 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. 14 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. 15 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 the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.

**Sec. 16 APPEALS** - The permittee shall have the right to appeal as provided for under R614-300-200.

**Sec. 17 SPECIAL CONDITIONS** - There are special conditions associated with this permitting action, as described in Attachment A.

The above conditions (Secs. 1-17) 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 Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: Don R. Nelson

Date: 5-20-91

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

Wendell Owen  
Authorized Representative of the Permittee

Date: 5/31/91

**ATTACHMENT A**  
**Special Conditions**

1. Division Order Issued November 27, 1990

Co-Op Mining Company must submit by May 24, 1991 at 5:00 pm, all complete and technically adequate information to comply with the Division Order issued November 27, 1990. Compliance with this Order includes abatement of NOV #N91-20-1-1 issued April 26, 1991 and any additional enforcement actions related to this matter.

2. Division Order, Informal Hearing, Cause No. ACT/015/025, Dated May 20, 1991

Co-Op Mining Company must comply with all monitoring requirements and restrictions contained within the Division Order, Informal Hearing, Cause No. ACT/015/025, dated May 20, 1991, as these requirements and restrictions apply to the present permit and are made a part of the permit terms at issuance.

- 18) R614-301-760 requires that the permittee provide the necessary information which addresses the restoration of natural drainage patterns following mining and address all the requirements of R614-301 and 302. The permittee has provided reclamation plans, but the plans and designs lack enough specifics to address all reclaimed channel locations, capacities, and designs. The permittee must verify drainage area calculations taken from watershed area maps accurately depicting post mining drainage and topography. All reclaimed channel designs must contain the necessary profiles, cross sections, and designs.

Co-Op Mining Company is ordered to make the requisite permit changes in accordance with R614-303.220, and to submit a complete application for permit change addressing each finding of permit deficiency within 60 days of receipt of this order. The application for permit change shall specify for each deficiency if the change constitutes a significant permit revision or a permit amendment.

Ordered this 24th day of November, 1990, by Dianne R. Nielson, Director,  
Division of Oil, Gas and Mining.

  
Dianne R. Nielson, Director  
Division of Oil, Gas and Mining