

0026a

OUTGOING
C0250004



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 12, 2004

Allen Childs, President
Talon Resources, Inc.
195 North 100 West
Huntington, Utah 84528

Subject: Permit Area Question - Proposed Alton Mine, C/025/0003, Outgoing File

Dear Mr. Childs:

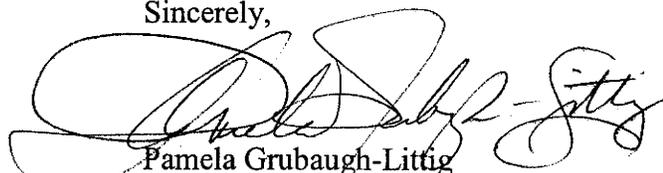
Thank you for briefing Mary Ann and myself on July 29, 2004 about the proposed Alton Mine project. At that meeting, you inquired about the requirements in the Utah Coal Mining Regulations regarding non-continuous mining areas and whether or not two separate permit applications are needed.

There is a discussion of continuous permit areas in the regulations under R645-302-200, Special Areas of Mining, specifically R645-302-312 (Prime Farmland). Separate permit areas are not discussed elsewhere. Unless the permit areas are located on prime farmland, one permit for two separate areas is acceptable.

The Division staff looks forward to working with you on this project. For planning purposes, a project timeline would be helpful.

If you have any questions, please call me at (801) 538-5268.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

PGL/sd
O:\025003.ALT\FINAL\pglAllenChildLtr.doc