



**Coastal States
Energy Company**

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Midvale, Utah 84047
(801) 566-7111

file ACT/041/002

Subsidiary of
The Coastal
Corporation

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JAN 19 1981

January 19, 1981
DIVISION OF
OIL, GAS & MINING

Mr. Donald A. Crane
Regional Director
Department of the Interior
Office of Surface Mining - Region V
1020 - 15th Street
Denver, Colorado 80202

AB

Dear Mr. Crane:

During the past two years, Southern Utah Fuel Company (SUFCo), a wholly owned subsidiary of Coastal States Energy Company and operator of the SUFCo mine, has been engaged in coal exploration and evaluation of the coal reserves contained in Lease U-28297 obtained in January, 1979. The results of the evaluation indicate a large portion of the projected reserves are presently unmineable due to physical and economic constraints.

In order to assess the impact of this new development on our existing mine plan, the Paul Weir Company was retained to reevaluate the underground mine layout. Their evaluation has resulted in a new mine layout which includes proper underground development and sequencing to ensure maximum coal recovery and safe mining practices without introducing additional surface disturbance or other adverse environmental concerns.

This new mine layout plan is included in our amended mining and reclamation plan permit application dated November, 1980. Coastal States Energy Company, and thereby SUFCo, had previously received limited approval to mine on Lease U-28297 including extension of the 2E submains and mining three additional panels to the portal of those submains on March 25, 1980. The mine plan (as revised in November, 1980) does not include two (5L and 6L 2E) of those three panels. The recoverable tonnage estimated in those two panels is 888,000 tons. In order to maintain production in the 2E mining district as originally planned, equivalent tonnage must be approved to be mined under the new mining layout (the November, 1980, plan). This tonnage has been projected in main development of 2 East to the outcrop and submains 3N and 4N.

Southern Utah Fuel Company respectfully requests your approval to extend 2E to the outcrop which has approximately 177,000 tons in the seven entries, extend 3N to the outcrop with a five-entry system with approximately 404,000 tons, and 4N with a five-entry system and approximately 177,000 tons. The total for 2E, 3N and 4N is approximately 758,000 tons. (See colored map attached.)

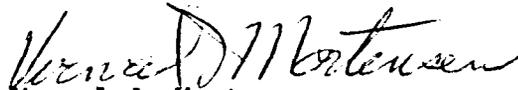
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Current sequencing of mining units requires SUFCo to make a decision prior to February 15 of where to place the mining unit currently in IN. Consequently, your earliest response would be greatly appreciated.

Sincerely,



Vernal J. Mortensen
Vice President
Utah Operations

VJM/js

Attachment

xc: Ron Daniels, DOGM ✓
Jackson Moffitt, USGS
Glen Zumwalt, SUFCo