File ACT/041/002
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**Coastal States Energy Company**

411 West 7200 South
Midvale, Utah 84047
(801) 566-7111

JIM
DEC 17 1981

Subsidiary of
The Coastal
Corporation

December 14, 1981

RECEIVED
DEC 17 1981
DIVISION OF
OIL, GAS & MINING

#4

Mr. James Smith, Jr.
State of Utah
Department of Natural Resources and Energy
Division of Oil, Gas, and Mining
1588 West North Temple
Salt Lake City, Utah 84116

RE: Southern Utah Fuel Company
Approval to Mine Leases U-28297
and U-47080

Dear ~~Mr. Smith~~ Jim:

Coastal Staes Energy Company hereby accepts and agrees to the stipulations outlined in the Office of Surface Mining's letter dated December 7, 1981 (copy attached). Mining of the above referenced leases shall be conducted in accordance with the Southern Utah Fuel Company's mining and reclamation plan, as amended, the stipulations attached hereto, and the map delineating areas to be mined submitted to the Division of Oil, Gas and Mining on November 3, 1981.

Very truly yours,

Vernal Mortensen

Vernal Mortensen
Vice President, Utah Operations

VM:jb

xc: Richard E. Dawes, OSM
Jackson Moffitt, USGS
J. Kent Taylor,
Fishlake National Forest

STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 7, 1981

Mr. Vernal J. Mortensen
Vice President
Utah Operations
Costal States Energy Company
411 West 7200 South
Midvale, Utah 84047

RE: Approval to Mine Leases
U-28207 and U-47080
SUFCO
Convulsion Canyon Mine
ACT/041/002
Sevier County, Utah

Dear Vernal:

Please find enclosed a copy of the Office of Surface Mining's approval for additional mining on Lease U-28297 and Lease U-47080, subject to stipulations.

The Division of Oil, Gas and Mining hereby issues its approval to Coastal States Energy (Southern Utah Fuel Company) for mining the above referenced leases at the Convulsion Canyon Mine contingent upon the Division receiving written acceptance of the stipulations as outlined in the Office of Surface Mining's letter received December 7, 1981.

If you have any questions regarding this approval, please call.

Sincerely,

JAMES W. SMITH, JR.
COORDINATOR OF MINED LAND DEVELOPMENT

JWS/te

Enc: OSM Approval Letter

cc: Richard E. Dawes, OSM
Jackson Moffitt, USGS
J. Kent Taylor,
Fishlake National Forest

Board/Charles R. Henderson, Chairman • John L. Bell • E. Steele McIntyre • Edward T. Beck
Robert R. Norman • Margaret R. Bird • Herm Olsen

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United States Department of the Interior
OFFICE OF SURFACE MINING
Reclamation and Enforcement
BROOKS TOWERS
1020 15TH STREET
DENVER, COLORADO 80202

DEC 07 1981

Mr. James Smith, Jr.
Coordinator of Mined Land Development
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Dear Mr. Smith:

We are approving Coastal States Energy's request for interim approval for additional mining on Lease U-28297 and new mining on Lease U-47080, subject to the State's concurrence and Coastal States acceptance of stipulations. The leases under consideration showing the areas to be mined are outlined on the map submitted by the applicant to Mr. Ron Daniels, Utah Division of Oil, Gas and Mining, on November 3, 1981, and provided to OSM on November 6, 1981.

Approval is based on our review, approval from the U.S. Geological Survey (USGS) by memorandum dated October 8, 1981 and concurrence by November 19 phone call between Mr. Lynn Findlay of the U.S. Forest Service (USFS) and Mr. Don Henne of my staff regarding the extension of this mining. Approval is conditioned on the following:

a. Acceptance of the attached Standard Stipulations;

b. Agreement that any Special Stipulations developed as a result of the overall mine plan review will be made part of the action on the entire mine plan and will retroactively apply to all operations undertaken pursuant to this approval;

c. The company will involve USGS in all situations involving recovery or abandonment of the resource. Normally, each problem will involve a joint (management and USGS) site specific inspection, a joint review, followed by a formal submittal of a plan for approval by the USGS;

d. The complete Roof Control and the Ventilation, Methane, and Dust Control plans approved by Mine Safety and Health Administration (MSHA) are an integral part of the mining and reclamation plans and must be compatible. Coastal States will submit complete approved copies of these plans as an addendum to the mining and reclamation plan. As these plans are updated and approved by MSHA, the company will submit complete copies of the updated parts as addendums or modifications to the formal mining and reclamation plan; and

e. Prior to any surface disturbance beyond the planned drill sites, the applicant must receive approval from the regulatory authorities and the USFS.

This approval is given solely for the purpose of maintaining production at the existing mine and is contingent upon receiving a letter from Coastal States Energy stating that they will adhere to the conditions listed above.

Sincerely,

Richard E. Dawes

Richard E. Dawes
Deputy Administrator
Western Technical Service Center

cc: Forest Supervisor
Fishlake National Forest

Jackson Moffitt, USGS

Enclosure

for the SUFCo Coal Mine.
Coastal States Energy Company
Federal Coal Lease U-28297 and U-47080

The approval to mine at the site(s) described in the referenced mine plan is subject to the following standard and special conditions and stipulations. This approval shall be revocable at the discretion of the Director, Office of Surface Mining, if the operator fails to comply with any condition or stipulation. The term "Regulatory Authority" as used herein means the Federal Office of Surface Mining.

1. The operator agrees to be bound by the provisions of Section 517 of the Surface Mining Control and Reclamation Act of 1977, 30 USC 1267 (P.L. 95087, hereinafter referred to as "Act"), and agrees to allow the authorized representatives of the Secretary, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

A. Enter upon or through any surface coal mining and reclamation operations to:

   1. Inspect any coal mining and reclamation operation, monitoring equipment, or procedure conducted pursuant to the permit.

   2. Collect samples and other revelant information regarding air or water, fish and wildlife, soils, vegetation and other resources protected under the Act, this Chapter and the State program; and,

   3. Obtain access to any copy of any records required to be maintained under the terms and conditions of the permit or the regulatory program.

B. Be accompanied by private persons for the purpose of conducting an inspection in accordance with Section 521(a) of the Act.

The term "authorized representative of the Secretary" as used in Section 517 and this paragraph shall be construed to include, but not be limited to, employees of the United States who are supervised by, or detailed or assigned to the Office of Surface Mining, any person under contract who is acting on behalf of the Secretary or any person employed by the State Regulatory Authority if it is authorized to regulate surface coal mining operations on Federal lands; or any other person identified as an authorized representative by a letter signed by the Director, Office of Surface Mining.

2. The operator shall comply at all times with the provisions of the Surface Mining Control and Reclamation Act of 1977, the Mineral Leasing Act of 1920, as amended, and the rules and regulations promulgated pursuant to said Acts, and such other requirements as the Regulatory Authority shall promulgate by rule.

3. The operator shall for the duration of the approved permit and ensuing liability period conduct surface mining and reclamation operations: 1) only on those lands specifically designated on the map(s) submitted in the approved mining and reclamation plan and 2) utilizing only those processes and techniques described in the approved mining and reclamation plan.

4. The operator shall (a) install, maintain, and use any monitoring equipment required by the Regulatory Authority as a condition of this approval or required subsequent to approval during the life of the mine; (b) evaluate the results in accordance with such methods, at such location, intervals, and in such manner as the Regulatory Authority shall prescribe; (d) make reports of the results of monitoring as required by the Regulatory Authority; and, (e) provide such other information as the Regulatory Authority shall require.

5. The operator shall comply with the Surface Mining Control and Reclamation Act of 1977; the Federal Metal and Nonmetallic Mine Safety Act; the Federal Coal Mine Health and Safety Act of 1969, the Clean Water Act; the Clean Air Act, as amended; the Resource Conservation and Recovery Act, as amended; the Refuse Act of 1920, as amended; and any regulation, performance standard, effluent limit, emission limit, water quality standard, or ambient air quality standard promulgated or approved thereunder, as well as all applicable state and local laws, ordinances, regulations, standards, and limitations.

6. Compliance with any design criteria, or technology requirements, even where design criteria or the technology has been approved by the Regulatory Authority, shall not relieve the operator of the duty to comply with any applicable effluent limitations, emmission limitation, applicable performance standard, water quality standard, ambient air quality standard, or any order issued by the Regulatory Authority under Section 521 of the Surface Mining Control and Reclamation Act.

7. The operator shall file a request with the Regulatory Authority seeking the release of all or part of a performance bond only during those seasonal periods when it is possible for the Regulatory Authority to inspect the area subject to the proposed release and make a determination (a) regarding the completeness of reclamation; (b) the degree of difficulty to complete any remaining reclamation, including success of revegetation; (c) whether pollution of surface or subsurface water is occurring; and (d) the probability and estimated cost of abating such pollution or other applicable reclamation requirements.

8. Each of the mining, reclamation or monitoring procedures, techniques, methods or descriptions contained in the approved mining and reclamation plan or in any requirement, stipulation or condition established by the Regulatory Authority as part of any approval of a mining plan, or revision or modification thereof, or by order of the Regional Director following such approval shall be deemed a "permit condition required by this Act" for the purposes of enforcement under Section 521 of the Act and "a condition of a permit issued pursuant to a Federal Lands Program" for the purposes of Section 518 of the Act.

9. If, during mining operations previously unidentified cultural resources should be discovered, the operator shall insure that the site is not disturbed and shall immediately cease land disturbing activities within the vicinity of the site and notify the Regulatory Authority. The operator shall ensure that the resource(s) is properly evaluated in terms of the National Register (36 CFR 60.6). Should a resource be determined eligible for listing in the National Register of Historic Places, in consultation with the Regulatory Authority and the SHPO, the operator shall consult with and obtain the approval of the Regulatory Authority and the SHPO concerning the development and implementation of mitigation measures as appropriate. Activities shall not resume until these measures have been completed and approved.