

Vernal J. Mortensen
Vice President
Utah Operations

0043



**Coastal States
Energy Company**

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

RECEIVED
OCT 5 1983

**DIVISION OF
OIL, GAS & MINING**

Subsidiary of
The Coastal
Corporation

File Copy CC: Jim Smith
SUFCO Ron Daniels
ACT/041/002

September 30, 1983

Dr. G. A. Shirazi, Director
Division of Oil, Gas & Mining
4241 State Office Bldg.
Salt Lake City, Utah 84114

Dear Jim *Jim*

I am in complete agreement with the last paragraph of your September 22, 1983 letter addressed to Mr. Kerry Frame, our Chief Engineer at SUFCO regarding the review of our Mining and Reclamation Plan, wherein you indicate that both parties must work together as a team and cooperate to accomplish our mutual goals. However, your letter seems to further imply that our SUFCO staff has been less than diligent in cooperating with the Division to complete our permit application. Our review of the history behind the development of our Mining and Reclamation Plan indicates otherwise. It indicates that both OSM and the Division have conducted numerous repetitive reviews of the plan that appear to make the permitting process a "get the ball in SUFCO's court" exercise.

Let me review our SUFCO permitting history for you. Our mining plan was first submitted to OSM in 1978. OSM conducted the first of many Apparent Completeness Reviews (ACR) on March 16, 1979. We responded to all of the ACR points in October 1979 with the first of our mining plan addendums. Seven months later OSM completed their second ACR which was based (by mistake) solely on the 1979 amendment. During that year, we recompiled our entire mining plan into a five volume set and submitted same to OSM and your offices in November 1979. On December 11, 1981 we received a letter from Jim Smith advising us your division was [experiencing administrative delay] in being able to review our ACR and apologizing for their delay to the process (copy of letter attached).

The Division's first ACR (our third) consisting of nine pages was completed by your Mr. Gilbert Hunt, and was sent to us on June 5, 1981. We responded to that review's points in September 1981 with a third mining plan addendum.

Dr. G. A. Shirazi
September 30, 1983
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Eighteen months later on February 2, 1983, your office sent us a fourth ACR consisting of completely different concerns than any expressed in previous ACR's. Because the February 2 ACR was in error on DOGM's part, it was re-issued on March 7, 1983. This fourth ACR consisted of 16 pages requiring a response within 60 days. One of the concerns in this most recent ACR was that our sediment pond was undersized and improperly designed, even though our sediment pond was approved by both OSM and your division prior to construction three years previously. In spite of the redundant and time consuming re-justification of our sediment pond required by the fourth ACR, we met the submittal deadline, by adding the eighth volume to our Mining and Reclamation Plan in April, 1983.

Two months later on June 14, 1983 your division issued the first Technical Deficiency Review (TDR) document, which required us to perform additional field studies. We were given three weeks to respond to the TDR document. We responded to most of the TDR concerns within the three week period, however the additional field studies which could not be completed in that time frame, mandated that we forward the balance of responses to the TDR as quickly as possible as they were completed, which we did.

The above information clearly indicates that we have been more than diligent in responding to the specific requests of both regulatory agencies. I have observed during the past five years that your reviewing personnel either rotate, or move on and with them go prior concerns with the plan. This procedure has created a problem in the timely permitting process, because as new reviewing personnel come on board, they pick previously unaddressed issues of concern.

Enclosed for your consideration is a copy of recent correspondence from OSM and my reply regarding needed update information on our mine plan, which illustrates some of the irregularities we have been forced to overcome in providing update or additional review information.

The ACR's have each been unique and therefore, I feel it is not that Southern Utah Fuel Company has been less than diligent in responding, but that your office and OSM has been less than consistent in the review process.

Dr. G. A. Shirazi
September 30, 1983
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I believe this letter correctly verifies our diligence and describes our position in the review process of our mining plan. If you have further questions or comments, I would appreciate discussing them with you directly.

Sincerely,



Vernal J. Mortensen
Vice President
Utah Operations

VJM:k1

Attachments: letter from Allen Klein of OSM
letter from Vernal Mortensen of CSEC
letter from James Smith of DOGM

xc: Ken Payne - SUFCo
Temple Reynolds
Allen Klein, OSM - Denver
Robert Hagen, OSM - Albuquerque
B. G. Long - CSEC - Houston
Loren A. Williams - CSEC - Houston

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

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

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

COPY: V.J.M.

K.M.P.
KEVIN YOCUM

FILE: GOV'T-DOGM-CORRES

December 11, 1981

Mr. Kerry Frame
Southern Utah Fuel Company
P.O. Box P
Salina, Utah 84654

RE: Administrative Delay for Permanent
Program Coal Mine Plan Review
Convulsion Cyn. Mine
ACT/041/002
Sevier County, Utah

Dear Mr. Frame:

This is to inform you that the Division of Oil, Gas and Mining is [invoking administrative delay] in the review of your mining and reclamation plan submitted under the requirements of the permanent program rules and regulations.

Section UMC 771.13(b) of the State's regulations allow existing underground coal mining activities to continue operations beyond the eight (8) month deadline for Division approval, under their interim State permit, pursuant to Section 502 of the Federal Act (P.L. 95-87) if:

1. Timely and complete application for a permit under the permanent regulatory program has been made to the Division in accordance with the provisions of the Act and the rules and regulations;
2. The Division has not yet rendered an initial decision with respect to the application; and
3. The activities are conducted in compliance with all terms and conditions of the interim permit, the requirements of the Act and State statutes and regulations.

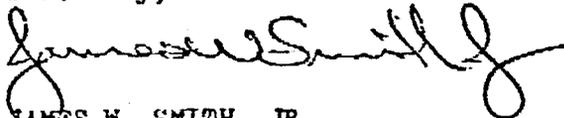
The Division is proceeding with review of all permanent program mining and reclamation plan permit applications as expeditiously as possible. We are increasing our technical staff to accommodate the expanded workload and ask that you please bear with us during this period.

Mr. Kerry Frame
December 11, 1981
Page Two

In order to further expedite the review process and issue permanent program approvals, we are requesting that any modifications of the mining and reclamation plan to continue or expand present activities be submitted at least three (3) months prior to anticipated need, whenever possible. The Division staff, to-date, has been exercising a considerable amount of time and energy reviewing modifications rather than permanent permit applications.

Your patience and cooperation are greatly appreciated. Should you have any questions or needs, please don't hesitate to call.

Sincerely,



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

JWS/ta

cc: Richard E. Dawes, OSM



United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement

BROOKS TOWERS

1020 15TH STREET

DENVER, COLORADO 80202

SEP 1 1983

Mr. Vernal Mortenson
Vice President of Utah Operations
Coastal States Energy
411 West 7200 South
Midvale, UT 84047

Dear Mr. Mortenson:

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Review of your Convulsion Canyon application, in preparation for technical and environmental (TA and EA) analyses, has revealed that the socioeconomic data was prepared in 1979 and is now out of date. In order to provide the information needed for a complete, up-to-date socioeconomic analysis of your application, we have enclosed a form outlining the information items needed. The Office of Surface Mining must have this information in order to complete an EA of your proposed action. Your prompt reply should avoid any further delay in processing your application.

If you have any questions regarding this form or your application review, please contact either Louis Hamm or Walter Swain at (303) 837-3806.

Sincerely,
Richard E. Dawer
for Allen D. Klein
Administrator

Enclosure
cc: James Smith, UDOGM

Vernal J. Mortensen
Vice President
Utah Operations



**Coastal States
Energy Company**

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

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September 26, 1983

Mr. Allen D. Klein, Administrator
U. S. Department of the Interior
Office of Surface Mining
Brooks Towers
1020 - 15th Street
Denver, CO 80202

Attn: Mr. Richard E. Dawes

RE: SUFCo-Convulsion Canyon Socio-Economic Analysis Update

Dear Mr. Klein:

In response to your earlier letter indicating that the 1979 socioeconomic data for our Southern Utah Fuel Company mine application needed to be updated, I am enclosing copies of the 1981 socioeconomic update mailed to your office in October of 1981 for your consideration and use in completing our Southern Utah Fuel Company application.

I might add that our present employment figures do not differ significantly (slightly reduced) from the October 1981 summary, since there has been little change in our mining operation in the interim.

Sincerely yours,

Vernal J. Mortensen
Vice President
Utah Operations

JMG:VJM:k1

Enclosures

xc: Loren Williams
Ken Payne
Kerry Frame

Manager

Governmental and Public Affairs

 Coastal States
Energy Company

90 West 100 North, Suite 17
Drawer 819
Price, Utah 84501
(801) 637-2185

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October 14, 1981

Mrs. Sara Branson
Community Planner
Office of Surface Mining
Brooks Towers
1020 15th Street
Denver, Colorado 80202

Dear Sara:

As per our earlier telephone conversation, I am attaching the additional Socio-Economic information you need on our SUFCO mine in Convulsion Canyon to complete the review of our mine plan.

It was good of you to attend our county-industry planning sessions, and I appreciated the opportunity to discuss our Sky-line Socio-Economic issues further with you.

Thank you for your assistance and consideration.

Sincerely yours,


John M. Garr, Manager
Governmental & Public Affairs

JMG:sh

cc: Vernal J. Mortensen
Ken Payne
Kerry Frame



**Coastal States
Energy Company**

90 West 100 North, Suite 17
Drawer 819
Price, Utah 84501
(801) 637-2185

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SOUTHERN UTAH FUEL COMPANY
SALINA, UTAH
SOCIO-ECONOMIC UPDATE 10-14-81

CURRENT EMPLOYEES

10-13-81	310	
12-31-81	320	(Anticipated Maximum)
Non-Exempt	255	
Salaried	<u>65</u>	
Total	320	

RESIDENTIAL BREAKDOWN 10-13-81

<u>City or Town</u>	<u># Employees</u>	<u>City or Town</u>	<u># Employees</u>
1. Gunnison	36	13. Redmond	23
2. Sterling	2	14. Annabell	8
3. Ephriam	4	15. Glenwood	6
4. Scipio	2	16. Aurora	39
5. Sevier	1	17. Sigurd	5
6. Richfield	45	18. Monroe	18
7. Fayette	2	19. Manti	12
8. Enice	1	20. Marysville	1
9. Axtel	1	21. Joseph	5
10. Centerfield	21	22. Circleville	1
11. Salina	80	23. Elsinore	<u>2</u>
12. Mayfield	5	Total	320

TAXES AND COAL ROYALTY PAYMENTS (Not Including Income Taxes)

<u>YEAR</u>	<u>DESCRIPTION</u>	<u>AMOUNT PAID</u>
1979	State Tax	\$ 491,796.00
1980	State Tax	921,928.00
1980 thru Aug 81	State Tax	1,189,879.00
1970	Federal Coal Royalty	\$ 361,143.00
1980	Federal Coal Royalty	899,543.00
1981 thru Aug 81	Federal Coal Royalty	1,099,243.00

COMBINED ANNUAL PAYMENTS

<u>YEAR</u>	<u>AMOUNT PAID</u>	<u>ANNUAL TOTAL</u>
1979	\$ 491,796.00 + \$ 361,143.00	\$ 852,939.00
1980	921,928.00 + 899,543.00	1,821,471.00
1981	1,189,879.00 + 1,099,243.00	2,289,122.00