0004

STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

ACT/041/002

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

May 26, 1987

FILE COPY

Mr. Vernal Mortensen
Vice President, Utah Operations
Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111

Dear ~~Mr.~~ Vernal Mortensen:

Re: State Permit, Convulsion Canyon Mine, ACT/041/002, Folder No. 2 & 3, Sevier County, Utah

Enclosed is the five year permanent program mining permit for the Convulsion Canyon Mine. Two originals are included. Since Utah has a cooperative agreement with the Office of Surface Mining Reclamation and Enforcement, no federal permit will be issued. Federal agency conditions have been incorporated into the state permit. Please read the special conditions in attachments A and A-1, then sign both copies of the permit and return one to the Division.

Thank you for your cooperation during the permitting process.

Best regards,

Dianne

Dianne Nielson
Director

pb
Enclosure
cc: K. Payne, SUFCO
P. Rutledge, OSM
L. Braxton
S. Linner
0028R-55

FEDERAL
(April 1987)

Permit Number ACT/041/002, May 19, 1987

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/041/002, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Coastal States Energy Company
175 East 400 South, Suite 800
Salt Lake City, Utah 84111
(801) 596-7111

for the Convulsion Canyon Mine. Coastal States Energy Company is the lessee of federal coal leases SL-062583, U-062453, U-0149084, U-28297, and U-47080 and the lessee of a fee-owned parcel. A performance bond is filed with the DOGM in the amount of $1,099,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM 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 (as shown on the map appended as Attachment B) within the permit area at the Convulsion Canyon Mine situated in the state of Utah, Sevier County, and located:

Township 21 South, Range 4 East, SLBM

Section 25: All
Section 36: All

Township 21 South, Range 5 East, SLBM

Section 28: SW 1/4 SW 1/4
Section 29: W 1/2, W1/2 E1/2, SE 1/4 SE 1/4
Section 30: S 1/2, S 1/2 N1/2
Section 31: All
Section 32: All
Section 33: W 1/2 W 1/2

Township 22 South, Range 4 East, SLBM

Section 1: All
Section 12: N 1/2, N 1/2 SE 1/4, portion of NE 1/4 SW 1/4

Township 22 South, Range 5 East, SLBM

Section 4: W 1/2 W 1/2
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 17: NE 1/4, N 1/2 NW 1/4
Section 18: N 1/2

This legal description is for the permit area (as shown on Attachment B) of the Convulsion Canyon Mine. The permittee is authorized to conduct underground coal mining activities connected with mining on the foregoing described property subject to the conditions of the leases, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 PERMIT TERM - This permit expires on May 20, 1992.

Sec. 4 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. 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 UMC 788.17-.19.

Sec. 5 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, 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, UMC 840.12, 30 CFR 842.13 and UMC 842.13; and,

B. be accompanied by private persons for the purpose of conducting an inspection in accordance with UMC 842.12 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 6 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 mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 7 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

A. accelerated monitoring 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. 8 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

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 DOGM 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 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. 11 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. 12 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. 13 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 DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under UMC 787.

Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the leases, the federal mining plan approval, and this permit, the permittee shall comply with the special conditions appended hereto as Attachment A and the federal conditions appended as Attachment A-1.

The above conditions (Secs. 1-15) 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 DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: Dianne R. Nielson

Date: May 26, 1987

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

_____
Authorized Representative of
the Permittee

Date: _____

APPROVED AS TO FORM:

By: Barbara W. Roberts
Assistant Attorney General

Date: May 27, 1987

1179R

ATTACHMENT A

Special Permit Conditions

Stipulation 817.42-(1)-RS/OSM

1. The permittee shall monitor the drainage from Areas 1, 2 and 3 in order to demonstrate the effectiveness of the alternative sediment treatment measures. The data shall be submitted to the R. A. for review quarterly. If the R. A. notifies the permittee that the alternative controls are not in compliance, the permittee shall submit to the R. A., within 30 days of such notice, a plan for treating these areas in a sedimentation pond, and within 120 days of such notice shall achieve compliance with applicable standards.

Stipulation 817.52-(1)-DD

1. The applicant will be required to establish trends in water quality and quantity and to establish site specific changes, if any, to the prevailing hydrologic balance via an in-mine monitoring plan. The plan should consist at a mimimum of, but not be limited to the following:

   Base Line

   a. Two years of baseline data collected (one set of samples taken at low flow) on a quarterly basis (or four on at least 60 day increments) and consisting of an inventory of all inflows of the working portions of the mines.

   b. In cooperation with DOGM, the applicant should select from the inventory representative sampling sites (which may change as mining progresses) of the mine flows greater than three gallons per minute (gpm), monitor for the other field parameters listed in Table 1 (attached), and collect water quality samples. The water quality samples should be analyzed for the constituents listed in Table 1 (attached).

Operational

a. Collect an inventory of in-mine flow on a quarterly (four total on at least 60 day increments) basis.

b. In cooperation with DOGM, the applicant should select for the inventory representative sampling sites(which may change as mining progresses) of in-mine flows greater than 3 gpm, monitor for the other field parameters listed in Table 1, and collect water quality samples. The samples should be analysed for the constituents listed in Table 1 that are marked with an asterisk.

   On at least an annual basis the applicant should submit the monitoring data in an annual hydrologic report. Included in the report should be an analysis of mine expansion, trends in mine inflow, water balance, and trends in water quality.

TABLE 1

SURFACE WATER BASELINE, OPERATIONAL AND POSTMINING WATER QUALITY PARAMETER LIST

Field Measurements:

*	-	Water Levels or Flow
*	-	pH
*	-	Specific Conductivity (umhos/cm)
*	-	Temperature (C^o)
*	-	Dissolved Oxygen (ppm) (perennial streams only)

Laboratory Measurements: (mg/l) (Major, minor ions and trace elements are to be analyzed in total and dissolved forms.)

#	*	-	Total Settleable Solids
#	*	-	Total Suspended Solids
	*	-	Total Dissolved Solids
	*	-	Total Hardness (as $CaCO_3$)
	*		Acidity ($CaCO_3$)
		-	Aluminum (Al)
		-	Arsenic (As)
		-	Barium (Ba)
		-	Boron (B)
	*	-	Carbonate (CO_3^{-2})
	*	-	Bicarbonate (HCO_3^-)
		-	Cadmium (Cd)
	*	-	Calcium (Ca)
	*	-	Chloride (Cl^-)
		-	Chromium (Cr)
		-	Copper (Cu)
		-	Fluoride (F^-)
	*	-	Iron (Fe)
		-	Lead (Pb)
	*	-	Magnesium (Mg)
	*	-	Total Manganese (Mn)
		-	Mercury (Hg)
		-	Molybdenum (Mo)
		-	Nickel (Ni)
		-	Nitrogen: Ammonia (NH_3)
		-	Nitrite (NO_2)
		-	Nitrate (NO_3^-)
	*	-	Potassium (K)
		-	Phosphate (PO_4^{-3})
		-	Selenium (Se)
	*	-	Sodium (Na)
	*	-	Sulfate (SO_4^{-2})
		-	Sulfide (S^-)
		-	Zinc (Zn)
	*	-	Oil and Grease
	*	-	Cation-Anion Balance

Sampling Period:

-Baseline

*Operational, Postmining

#Construction

ATTACHMENT A-1

Special Permit Conditions

Federal Conditions

OSMRE 1. The permittee shall monitor cultural resource site 425v984 and the adjacent area for evidence of subsidence. If subsidence is imminent, further consultation with Utah DOGM, the State Historic Preservation Officer, and OSMRE regarding mitigation of the site will be required.

OSMRE 2. All amounts due the United States, as determined in the initial judgment in Virginia Iron Coal and Coke V. Hodel, No. 85-0047 BY (W. D. Va.), shall be paid according to the judgment.

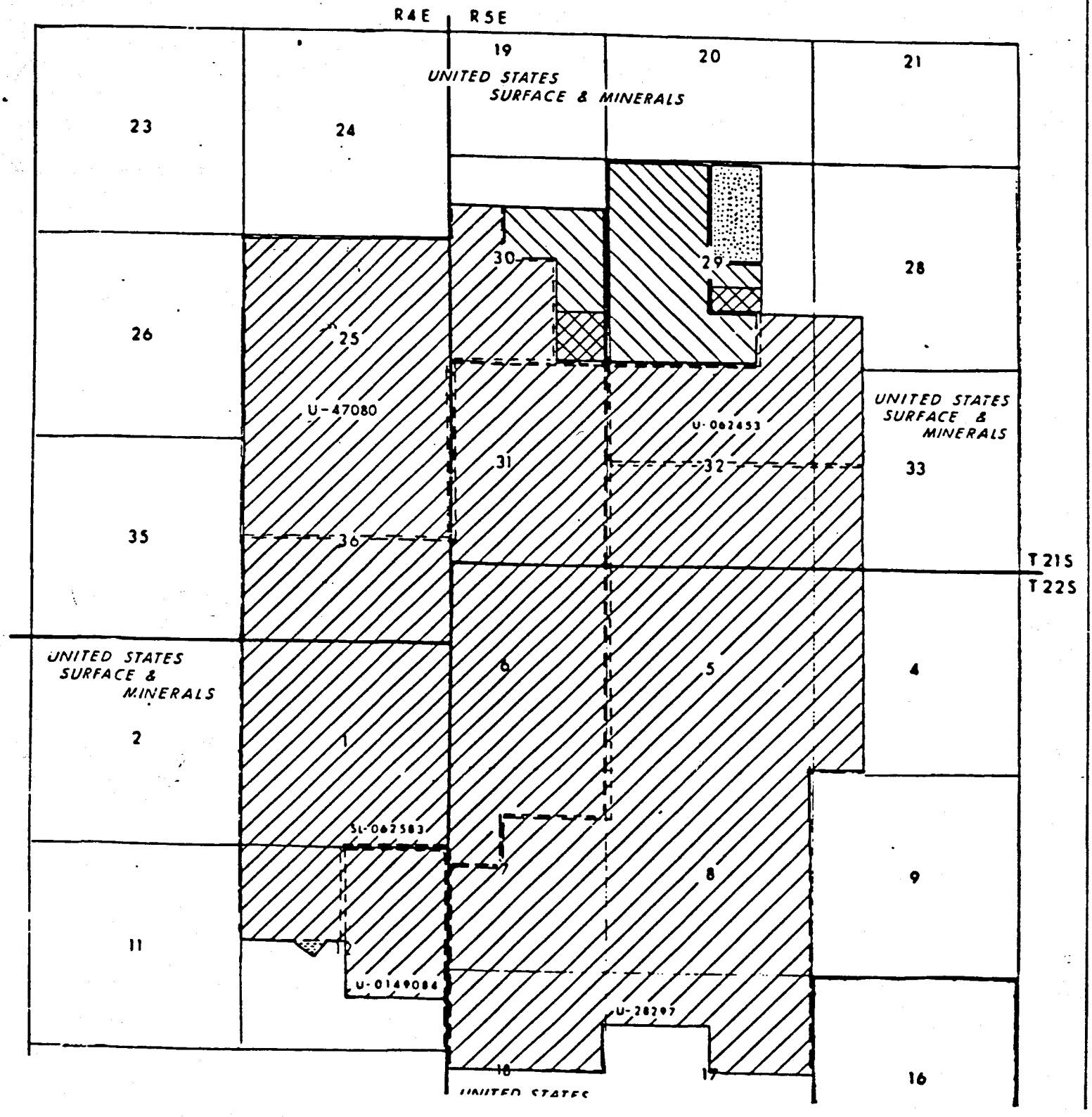
USFS 1. No mining which could result in subsidence to the east escarpment of Quitchupah Canyon in Federal lease U-062453 shall take place without the specific consent of the U. S. Fish and Wildlife Service and the U. S. Forest Service, pending results of the subsidence and resource monitoring for the longwall panels on the west escarpment.

USFS 2. Prior to conducting any mining under the west escarpment of Quitchupah Canyon in Federal lease U-28297 (mining Blocks 1 and 2), the permittee shall institute a subsidence monitoring and control plan. This plan shall include an underground and surface survey coordinate system which is tied to the State Plane Coordinate System. Aerial photography of the entire permit area shall be covered by color infrared (CIR) photography as part of the data base. The permittee shall fly the area affected by mining, including the angle of draw, at a minimum of 5 year intervals to obtain CIR photographs which can be used to quantify subsidence effects on resources. One print of each exposure of baseline black and white and CIR photography and subsequent black and white and CIR photographs shall be provided to the Manti-LaSal and Fishlake National Forest supervisors (as appropriate), with photo index maps, and a map showing permanent monument locations. A copy of subsidence and hydrologic monitoring reports and results shall be provided to both National Forest supervisors and OSMRE.

USFS 3. Within 60 days after the issuance of this permit, the permittee shall submit updated information for the Mining and Reclamation Plan which addresses the possibility of subsidence beneath Quitchupah Creek during the life of the mining operations. This shall include a plan for the mitigation of any adverse effects on the integrity of Quitchupah Creek. This updated information shall also include the permittee's commitment to submit, prior to abandonment of the access entries beneath Quitchupah Creek, a plan for protecting the integrity of the Creek from any adverse impacts of subsidence, using the best feasible technology. The information must be approved by OSMRE, Utah DOGM and the Manti-LaSal National Forest supervisor.

1179R-

ATTACHMENT B

CONVULSION CANYON PERMIT AREA

SEVIER COUNTY, UTAH