



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

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

December 10, 1987

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

RE: Permit Conditions, Southern Utah Fuel Company, Convulsion Canyon Mine, ACT/041/002, Sevier County, Utah

Dear Mr. Mortensen:

The Division has reviewed the response to the five-year permit conditions for the Convulsion Canyon Mine, received September 28, 1987.

Compliance with the terms of the conditions has been determined to be as follows:

Condition UMC 817.42-(1) - RS

The operator has adequately responded to this condition.  
(See attached technical review memo).

Condition UMC 817.52-(1) - DD

In response to this condition and meetings held with Division personnel, the operator provided a summary of data collected in their current ground water monitoring program. Review of this information has shown that it is not sufficient to meet the terms of the condition. (See attached technical review memo for more information). In order to comply with this permit condition, Coastal States will be required to submit a plan for an in-mine monitoring program by March 1, 1988. Division personnel will be available to aid in development of the monitoring plan if Coastal States wishes.

Condition OSMRE 1

The operator has committed to comply with this condition.

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Condition OSMRE 2

The operator has committed to place payment for the initial judgment in escrow until a final judgment can be rendered.

Condition USFS 1

The operator has committed to comply with this condition.

Condition USFS 2

The operator has committed to comply with this condition.

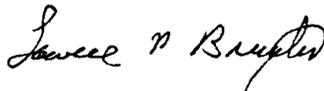
Condition USFS 3

The U.S. Forest Service has not approved the response to this condition. They received the November 11, 1986 document from Coastal States and notified the Division in a letter received on January 9, 1987 that their concerns had not been adequately addressed. For that reason, this condition was added to the permit. To the knowledge of the Division, Coastal States has taken no measure since permit issuance to satisfy the terms of this condition. In order to comply with this condition, Coastal States must submit a plan, as required by the condition, to the Division and the Manti-LaSal National Forest by March 1, 1988. The Division would be glad to meet with representatives of Coastal States and the Forest Service if the company desires.

In summary, Coastal States has adequately addressed Conditions UMC 817.42-(1)-RS, OSMRE 1, OSMRE 2, USFS 1, and USFS 2. Conditions UMC 817.52-(1)-DD and USFS 3 have not been adequately addressed and must be addressed, as required, by March 1, 1988.

Please don't hesitate to contact me or Susan Linner for further information.

Sincerely,



Lowell P. Braxton  
Administrator, Mineral Resource  
Development and Reclamation Program

jr  
Enclosures  
cc: K. Payne - SUFCO  
K. May  
S. Linner  
1357R/13:14

H. Shepherd  
K. Wheeler

STATE OF UTAH  
 NATURAL RESOURCES  
 OIL, GAS, & MINING  
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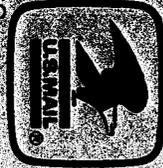


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PS Form 3800, Feb. 1982

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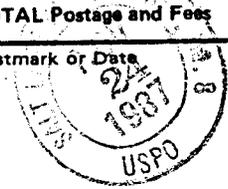
File ACT/041/002

P 402 459 437

RECEIPT FOR CERTIFIED MAIL

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Sent to <b>MR. VERNEL J. Mortensen</b>	
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ACT/007/005 - ~~ACT/007/005~~ or

NOTE: original receipt  
is filed with  
ACT/007/005

Green receipt is  
missing (never rec'd  
in mining?)