

**Southern Utah Fuel Company**

a subsidiary of The Coastal Corporation

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RECEIVED
NOV 01 1989KEN PAYNE
Vice President &
General ManagerDIVISION OF
OIL, GAS & MINING

October 26, 1989

Susan C. Linner
Permit Supervisor
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Ms. Linner:

Southern Utah Fuel Company agrees that the Mining and Reclamation Plan (MRP) should be reformatted to conform with the new soon-to-be-approved Utah rules. SUFCo believes that this revision can best be accomplished with interaction with the Division of Oil, Gas and Mining (Division) Staff early in the reorganization process. The enclosed schedule of our plan for this project verifies our commitment to interact with the division to reformat the MRP and submit the revised MRP for final approval prior to the requested January 19, 1992 date.

The current MRP commitments covering Small Area Exemptions, Alternative Sediment Controls, Best Control Technology Available areas and subsidence monitoring/reporting are being worked on. These updates will be submitted prior to December 1, 1989, as requested by you in the on-site mid-term review meeting.

Sincerely,
SOUTHERN UTAH FUEL COMPANY
Ken Payne
Vice President & General Manager

xc:Lowell Braxton

Schedule Name: REWRITE OF MRP INTO NEW RULE FORMAT
 Project Manager: WESS SORENSEN
 As of date: 26-Oct-89 9:14am Schedule File: A:MRP

D Done === Task - Slack time (==---), or
 C Critical +++ Started task Resource delay (---==)
 R Resource conflict M Milestone > Conflict
 p Partial dependency
 Scale: Each character equals 1 week

Task	Status	90												91					92									
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
START MRP REVISION NEW FORMAT	M																											
IN EXIST MRP TO WORD PROCESS	===																											
REVIEW NEW REGULATIONS	=====																											
REVIEW EXISTING MAPS	C =====																											
COMPILE EXIST CONSULTANT RPTS																												
PREPARE OUTLINE MRP STRUCTURE																												
REVIEW/MOD CONSULTANT REPORTS																												
PREPARE REGULATION CROSS-REF																												
EXISTING DRAW/MAP LIST FOR MRP	C																											
LIST OF REQUIRED MAPS/DRAWINGS	C																											
OUTLINE/DRAW LIST REVIEW DOGM																												
PREPARE BASE MAPS																												
PREPARE MAPS AND DRAWINGS	p																											
WRITE CHAPTERS OF MRP	p																											
DRAFT MAP/DRAWING REVIEW																												
FILL IN CROSS-REF TO CHAPTERS	p																											
NEW MAPS AND DRAWINGS COMPLETE																												
PROVE MAPS & DRAWINGS	C																											
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PROOF DRAFT OF MRP	C																											
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DOGM FEEDBACK ON DRAFT MRP	C																											
DESIGN COVERS FOR BINDERS	C																											
REVISE MRP	C																											
ORDER BINDERS FOR MRP	C																											
PROOF FINAL VERSION MRP	C																											
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MRP APPROVED BY DOGM	C																											

18-May-92 M

But Quick Rise in Demand Unlikely

Bush's Clean Air Act Revisions Will Boost Utah Coal Industry

By Joe Rolando
Tribune Business Writer

President Bush's proposed Clean Air Act revision — the first substantive revision since 1977 — could bode well for low-sulphur Western coal, the director of the Bureau of Land Management said Wednesday.

However, Delos "Cy" Jamison, sitting for the first time as chairman of the Federal-State Coal Advisory Board that advises the department and secretary of the interior about federal coal leasing, said he doesn't expect a "mammoth jump" in production of low-sulphur coal in the next three or four years.

Mr. Jamison said if the president's proposals are enacted, eastern companies have only two ways to comply: clean up their plants' emissions and pass the cost to customers or use cleaner coal, much of which will come from Western states, including Utah.

States as well as the federal government and coal industry will benefit from additional mining on federal leases, said Mr. Jamison. That's because half of the bonus bids and royalty fee from coal produced on those leases returns to the state in which it was mined.

Mr. Jamison said in 1988 about \$169 million of that federal lease revenue was returned to states, compared with about \$184 million expected in 1989.

Sitting on the Federal-State Coal Advisory Board are representatives from states — including Utah — belonging to one of six regional federal coal-leasing teams and their designated BLM representatives.

Utah and a western portion of Colorado comprises the Uinta-Southwestern Utah Coal Team.

Howard A. Lemm, BLM deputy state director for mineral resources, Salt Lake City, said coal on federal leases made up 88 percent or 15,887,000 tons of the record 18,164,000 tons mined in Utah in 1988. He said in 1989, Utah is expected to produce 19,210,000 tons, 86 percent or 16,520,000 tons of which is from federal leases.

Max Nielson, resource economist for the BLM state office, said about 275,000 acres of BLM coal land are under lease in Utah. But he said two or three times that acreage of BLM land is available in the state for coal leasing.

Since the early 1970s, BLM coal-leasing programs have experienced wide swings in policy direction from the Interior Secretary. The regional coal-leasing program implemented in the 1980s expanded the acreage under lease in Utah to 348,000 from 270,000 acres in the 1970s.

The Uinta-Southwestern Utah Coal Team applied for and was

granted "decertification" in behalf of that region in January 1988. This permitted the team to allow coal companies to apply for needed lease land to continue operations under a "lease by application procedure" rather than select from a large number of tracts under the regional leasing program.

The first application filed with the coal team under the lease by application procedure came from Coastal States Energy Co. to expand its Southern Utah Fuel Co. mine near Salina. In April 1989 Coastal submitted the only bid for the lease containing about 9 million tons of coal of \$16.2 million, and the BLM accepted it since it met or exceeded fair market value.

The \$16.2 million is what is known in BLM parlance as the bonus bid. In Utah, the royalty rate on BLM leases is 8 percent of the coal's price. And, the rental fee for leases approved but not developed is \$3 an acre.

BLM state director James Parker said the Uinta-Southwestern Utah Coal Team is processing three other "lease by application" requests in Utah.

The first is for Cyprus Western Coal Co., Wattis, Carbon County, for its Plateau Star Point Mine. The lease is on 1,987 acres and the preliminary recoverable reserves are estimated at 7.6 million tons. Mr. Parker said the team expects to offer the lease for competitive sale the first of next year.

Another application came from Beaver Creek Coal Co., Price, for its Trail Mountain Mine on 3,011 acres that has preliminary recoverable reserves of 16,570,000 tons. A third bid came from AMCA Coal Leasing Inc. and Andalex Resources Inc., Price, for its Pinnacle Mine on 885.74 acres that has preliminary recoverable reserves of 7,500,000 tons.

Mr. Parker said the latter two leases are expected to be competitively sold in mid-1990.

Jim Broderick, an economist from the BLM's Washington's office, said most of the six coal regions have recovered fairly rapidly from the slow-down of the last few years attributable to the decline in oil prices. That, he said, slowed the demand for coal.

Mr. Broderick said only two regions, the Uinta-Southwestern Utah and the Powder River Basin, are expected to experience some coal production growth in the next 10 years. He said growth in the Uinta-Southwestern Utah region is expected to range from 1.5 to 3 percent a year and the Powder River Basin from 1 to 2 percent per year.

Studies from several sources reveal that if proposed Clean Air Act revisions go into effect after 1995 and 2000 as proposed, West Virginia would have the largest net gain with the shift from high- to low-sulfur coal. He said the Powder River Basin is expected to experience the second biggest gain.

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ture.

When Dr. Wimmer moves into the new building, he will leave an office his father began renting nearly 30 years ago.

Dr. Wimmer employs a staff of three people and expects to hire an associate chiropractor in the future. In addition, his father plans to return to practice and work part-time.

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The company teaches time-management seminars and produces the Franklin Day Planner and a full line of accessories.

According to Hyrum Smith, Franklin's chairman, the new store will carry the basic Day Planner, refills, special binders and other accessories, as well as providing space for video training.

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